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The COMMERCIAL & FINANCIAL CHRONICLE

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OUR REPORTER'S REPORT

Major institutional investors did more than merely refuse to become panicky on the outbreak of hostilities in the Pacific, it develops now. They not only agreed among themselves to refrain from hasty and unwarranted selling of their holdings, judging by reports from people in a position to note developments in the market.

Such institutions, it is disclosed, were inclined to take quite the reverse attitude. With yields low and prices, accordingly, high these major buyers had been standing firm on the sidelines for months, as far as dipping into the seasonal market was concerned.

But quite evidently portfolio managers for a great many of the insurance companies and the

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Over-The-Counter Dealers Must Unite

Newspaper Quotations Now Make It Impossible To Conduct Business At Profit

Several weeks ago, the published quotations on leading over-the-counter stocks, which regularly appear in the newspapers, were changed. Spreads were narrowed. Bid prices were moved upward—asked prices were lowered.

Ever since these changes in the published quotations on Bank Stocks, Insurance Stocks and leading Industrials have appeared, many dealers throughout the nation have besieged us with their comments. Without exception, all the letters which we have received have stated flatly that the new quotations allow too small a margin of profit for the average Dealer to cover his overhead and remain in business. This is plain talk and this is the sort of situation which must be corrected.

We, therefore, invite all Dealers to write us their opinions on this matter. We intend to publish the letters received. If requested, signatures will not be used by us. We believe it is imperative that the NASD and the SEC be informed of the majority opinions of the over-the-counter Dealers who have been affected by the change in the publshed quotations which has now taken place.

We do not believe that, directly or indirectly, any agency of the Federal Government or any association within or without the securities business should have the right to establish the margin of profit any Dealer should be allowed to make on any security transaction. When people see a quotation on an over-the-counter stock in the newspapers they expect, in most cases, to be able to buy or sell at this published quotation which appears in the papers. This is the practical viewpoint and we know from experience that most securities salesmen must do business at the newspaper figures or they will incur the disfavor of their customers and possibly lose business.

We also note that in the case of some of the quotations which now appear, the quoted newspaper "bid" price has only been one-eighth of a point away from the inside wholesale market "bid" price. In such a transaction, if a securities salesman went out to procure an order and his customer finally decided to sell one hundred shares of stock, the total gross profit received, in such a case, would only amount to $12.50. In many cases this sum would not even cover the teletype, telephone, clearance charges and taxes which are involved in such a transaction and would

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Reserve Banks Report On Business

Indications of the trend of business in the various Federal Reserve districts is indicated in the following extracts which we give from the "Monthly Review" of the Federal Reserve Districts of Boston, New York, Philadelphia, Cleveland, Richmond, Atlanta, Chicago, St. Louis, Minneapolis, Kansas City, Dallas and San Francisco.

First (Boston) District

The Federal Reserve Bank of Boston, in its "Monthly Review" of Dec. 1, reports that the level of general business activity in New England during October held up at approximately the same high volume as that which prevailed during September, after allowances had been made for customary seasonal changes, and was considerably higher than in October a year ago, although there were declines in several important lines of industrial activity between September and October. The bank's "Review" further said:

Total revenue freight carloadings in this district during the four-week period ending Nov. 8 were 114,246, an increase of 14.6% over the total for the corresponding four weeks last year.

During October, 119,319 bales of raw cotton were consumed by mills in New England, an increase of 17.9% over September and 21.8% higher than the boots and shoes in New England is estimated to have been 14,036,000 pairs, an amount 3.4% under the September total but 16.8% larger than in October, 1940.

Second (New York) District

The Dec. 1 "Monthly Review" of the Federal Reserve Bank of New York states that industrial operations during November con-

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Regular Features

Avers Stock Market A Buy

War-time markets habitually fluctuate with the fortunes of war. On the basis that the United States will eventually emerge victorious (we know of no one who even concedes the possibility of final complete defeat of the United States) and on the basis that the war will be a long drawn out affair (we know of no one who even concedes that the war will end shortly), a very simple and basic principle of any trading policy would be that interim "defeats" offer buying opportunities and interim "victories" offer selling opportunities.

Half Truths

It is frequently asserted that war is not bullish on equities—and there is a good element of truth in this. It is, however, nothing more than a half-truth—and there is nothing more misleading than a half-truth. The other part of the half-truth is that war is not bullish on cash.

War is destructive of purchasing power. It has been demonstrated throughout history that there has never been a major war that has not resulted, sooner or later, in a major price inflation—that is, a major deflation in the purchasing power of money.

People argue, fallaciously in our opinion, that in order to bring about a bull market, it is necessary to have confidence in expanding corporation profits and dividends. We would call attention, however, to the already obvious fact that the bull markets in the war-time capitals of London and Berlin are based upon lack of confidence in expanding profits and dividends — a lack of confidence in money vis a vis tangible property and equities. This phenomenon, we venture to say, will ultimately dominate thinking in this country.

Disregarding the hour-to-hour, the day-to-day or even week-to-week fluctuations, there is only one logical conclusion and that is that the mraket is in a buying and not a selling area.—G. Y. Billard, J. R. Williston & Co.

G. H. Walker To Admit Matthews & Simmons

G. H. Walker & Co., members of the New York Stock Exchange and other national exchanges, will admit Robert H. Matthews and Cheston Simmons to general partnership, and Loulie W. Walker to special partnership in their firm as of Jan. 1, 1942.

Mr. Matthews, who has been associated with the firm for some time as manager of the new business department, will continue to make his headquarters at the firm's St. Louis office, Broadway and Locust. Mr. Simmons, a member of the New York Stock Exchange who has been engaged in business as an individual floor broker, will make his headquarters at the New York office, 1 Wall Street.

Col. Van Suetendael Forms Own NYSE Firm

YONKERS, N. Y.—The recently formed New York Stock Exchange firm of A. O. Van Suetendael & Co., located in the First National Bank Building, succeeds to the business conducted by Col. A. O. Van Suetendael for more than 20 years in the Wheeler Block, Yonkers. He was the longest established Westchester County security dealer, and the new firm has the advantage of this background and the fact that it is the only Stock Exchange member firm with its principal place of business in Westchester County.

Colonel Van Suetendael is also well known as an engineer with many years of experience in the design of engineering and architectural structures, including New York City subway and elevated railroad, and the structural work of many private and public buildings throughout New York State. He introduced the use of reinforced concrete in the construction of buildings erected by the State of New York. He was in military service on the Mexican Border and served throughout the first World War and for more than 10 years has commanded the 368th Regiment of Engineers, a U. S. Army reserve unit.

Innes Getty, a partner of the firm, is also a life-long resident of Yonkers and for three generations his family have been prominently identified with our city. Its central business square and Park Hill residential section are named in honor of his grandfather, Robert Parkhill Getty, who served as one of the first Presidents of the then village of Yonkers. Many will recall him as the former local manager of the New York Stock Exchange firm of Fellowes Davis & Co.

Alsberg & Scheer Will Be Kaufmann Partners

Albert J. Alsberg and Herman N. Scheer will become partners in the firm of Richard K. Kaufmann & Co., 120 Broadway, New York City, members of the New York Stock and Curb Exchanges, as of Jan. 1st. Mr. Alsberg, an associate member of the New York Curb Exchange, has been a partner in Loeb, Alsberg & Co., New York City, for many years. Mr. Scheer for many years has been a partner in D. M. Minton & Co.

Wayne Martin Is Now V-P Of Milhous, Gaines

ATLANTA, GA.—Wayne Martin has discontinued his securities business in Atlanta to become a Vice-President of Milhous, Gaines & Mayes, Inc., Rhodes-Haverty Building. Milhous, Gaines & Mayes, Inc., are underwriters, participating distributors and dealers in Southern municipal and general market bonds, bank stocks and local securities, specializing in Georgia and Alabama tax-free bonds.

Morgan Stanley & Co. Forms Partnership

Morgan Stanley & Co., underwriters and dealers, 2 Wall Street, New York City, formerly operating as a corporation, announces that members of the firm have formed a partnership consisting of Harold Stanley, Henry S. Morgan, Perry E. Hall, John M. Young, A. Northey Jones, Edward H. York, Jr., Alfred Shriver, and Sumner B. Emerson, general partners, and Henry S. Morgan and William Ewing, limited partners.

To Be Jas. Bennett Partner

CHICAGO, ILL.—Frank Hegner will be admitted to partnership in James E. Bennett & Co., 141 West Jackson Boulevard, members of the New York Stock Exchange and other leading Exchanges, as of Jan. 1, 1942.

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Subscriptions in United States and Possessions $26.00 per year, $15.00 for 6 months; in Dominion of Canada, $27.50 per year, $15.75 for 6 months. South and Central America, Spain, Mexico and Cuba, $29.50 per year, $16.75 for 6 months; Great Britain, Continental Europe (except Spain), Asia, Australia and Africa, $31.00 per year, $17.50 for 6 months. NOTE: On account of the fluctuations in the rate of exchange, remittances for foreign subscriptions and advertisements must be made in New York funds.

Burgess Named Pres. By Phila. Bond Club

PHILADELPHIA, PA.—At its annual meeting, the Bond Club of Philadelphia elected Arthur S. Burgess, Biddle, Whelen & Co., President. Walter A. Schmidt, Schmidt, Poole & Co., was named Vice-President; John C. Bogan, Jr., Sheridan, Bogan & Co., Secretary, and William M. Claflin, Halsey, Stuart & Co., Treasurer.

Arthur S. Burgess

Edward C. Sayers, Smith, Barney & Co., Joseph G. Carpenter, Adams & Peck, and Elwood W. Miller, E. W. & R. C. Miller & Co., were elected to the Board of Governors.

Luther To Be Partner In Schirmer Atherton

BOSTON, MASS. — Charles Fisher Luther will become a partner in Schirmer, Atherton & Co., 50 Congress Street, members of the New York and Boston Stock Exchanges, on Jan. 1st, 1942. Mr. Luther has been associated with Schirmer, Atherton & Co. for some time and prior thereto was a partner in Tifft Brothers.

NASD Offers Aid In Defense Bond Sale

The following letter was sent by Thomas Graham of The Bankers Bond Co., Louisville, Ky., Chairman of the Defense Bond & Stamp Committee of the National Security Traders Association, to the dressed the following letter to the Secretary of the Treasury, offering the services of the Committee and Association in any way in which they can help in the national emergency:

"At the Eighth Annual Convention of the National Security Traders Association held at New Orleans the latter part of September, the following committee was appointed to work with the Treasury Department on the sale of Defense Bonds and Stamps:

"Thomas Graham, Chairman, The Bankers Bond Co., Louisville, Ky.

"James F. Musson, B. J. Van Ingen & Co., New York City.

"J. Earle Jardine, Jr., William R. Staats Co., Los Angeles.

"Wilbur R. Wittich, Bond & Goodwin, Inc., New York City.

"Dayton P. Haigney, Dayton Haigney Co., Boston, Mass.

"The National Security Traders Association has approximately 2,500 members scattered all over the country, all of whom are in active contact with the retail public. On behalf of the entire association, this committee wishes to offer their services to the Treasury Department and our Government in any way we can be of emergency and peril.

"There is a tremendous job to be done in this particular regard and it would certainly please all of us very much and we would feel we were doing some small part of our duty to our country, if our services can be used in any particular.

"When you have the opportunity, I would appreciate your giving this matter your serious consideration."

Results Of Treasury Bill Offering

Secretary of the Treasury Morgenthau announced on Dec. 15 that the tenders for $150,000,000 or thereabouts, of 91-day Treasury bills, to be dated Dec. 17 and to mature Mar. 18, 1942, which were offered on Dec. 12, were opened at the Federal Reserve Banks on Dec. 15. The following details of this issue are revealed:

Total applied for...$382,650,000
Total accepted...... 150,040,000

Range for accepted bids (excepting two tenders totaling $80,000):

High—99.950. Equivalent rate approximately 0.198%.

Low—99.919. Equivalent rate approximately 0.320%.

Average Price—99.925. Equivalent rate approximately 0.295%.

(50% of the amount bid for at the low price was accepted.)

There was a maturity of a similar issue of bills on Dec. 10 in amount of $100,957,000.

National Securities & Research Corporation Distributor For Commodity Corp. Stock

J. Langdon Sullivan, President of Commodity Corporation, Boston, has just announced that National Securities & Research Corporation, 1 Cedar St., New York, N. Y., has been appointed underwriter and national wholesale distributor for shares of the Capital Stock of Commodity Corporation, and that Henry J. Simonson, Jr., President of National Securities & Research Corporation has been elected to the Board of Directors of Commodity Corporation.

Mr. Simonson, when interviewed stated:

Henry J. Simonson, Jr.

"The national distribution of shares of the Capital Stock of Commodity Corporation is in keeping with our institutional policy to provide a wide range of securities that are acceptable to the varying investment objectives of investors. We believe that this addition to our offerings is particularly timely due to the inflationary forces that have now been set in motion and that may gather important momentum within the next year.

"The cry, wolf—inflation, has several times been a false alarm in recent years but today, that wolf has left the door step and is now in the kitchen, in the wardrobe, and, in fact, all over the average home.

"Whether we like it or not—inflation is here. Not only do most authorities describe our economic status as such but it is apparent in the price rise in many commodities. Rising commodity price levels mean a decline in the purchasing power of our money. We ourselves feel inflation in the higher cost of daily living. This presents a question to the average investor as to what consideration he has given to

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Gander To Be A Partner

MacLean Gander, manager of the bond department for Dominick & Dominick, 115 Broadway, New York City, members of the New York Stock Exchange, will be admitted to partnership in the firm on Jan. 2, 1942.

Bard, Williams Join Clement, Curtis & Co.

CHICAGO, ILL.—Sutro Bros. & Co., with offices in New York and Chicago, announce their withdrawal from business in Chicago and the closing of their Chicago office on or about Dec. 31. The firm's Chicago partners, Roy E. Bard and Lawrence Williams, will become partners of Clement, Curtis & Company. A large part of the Sutro Bros. & Co. organization in Chicago will also join Clement, Curtis & Company, who will move from their present location at 231 South La Salle Street into Sutro Bros. & Co.'s offices on the ground floor at 134 South La Salle Street, on or about Dec. 31.

Clement, Curtis & Company is one of the oldest Chicago brokerage firms, having started in business here in 1903. The firm are members of the New York and Chicago Stock Exchanges, the Chicago Board of Trade and other stock and commodity exchanges. Partners include Arthur F. Lindley, John G. Curtis and Irving E. Marcus. For the past 35 years, the firm has had as New York correspondents the firm of E. F. Hutton & Company, whose offices and wire system extend from coast to coast.

Hentz Urges Confidence In American Enterprise

Declaring that "America looks ahead to victory," H. Hentz & Co., members of the New York Stock Exchange and other principal exchanges, are today urging the purchase of securities on the ground that the present level of prices does not truly reflect actual values.

"Inevitably the towering strength and tremendous productive capacity of this country will instill a surging confidence in our ultimate victory in the preservation of democratic institutions," the firm says, in an advertisement stating their opinion that now is the time to buy securities.

"Unreasoning fear can hardly be a basis for any sound appraisal of values," the firm says further. "Stocks, in our opinion, are currently very much undervalued and, as we adjust ourselves to the conditions of the times, this will be reflected in a steady restoration of confidence and realization that this is the case. Fear will be dissipated, initial reverses will be borne with greater fortitude and once again the faith and courage in our tremendous potential might will be restored.

"On the economic side of the picture there appears no ground for pessimism. Our industries will produce more and more without the costly and paralyzing effect of strikes. Taxes will rise, but probably no more than they would have without a declaration of war. Profits will be good, even if less than this year, and in this respect it should be remembered that good stocks are now selling from four to ten times earnings and on yields of from 7% to 13%. The only justification for such prices would be the prospect of sharp declines in earnings, a condition we do not think is in sight.

"The President anticipates a long war. That means a costly war that cannot possibly be financed on a 'pay as you go' basis. A realistic viewpoint of the future must take into consideration the inflationary ramifications and the pertinent question of whether it is better to have cash than equities in our leading corporations.

"England went through this phase and corrected it. We will do the same. This looks like bargain-counter days in stocks."

"JOTTINGS"

Some people are saying Pearl Harbor was the American Dunkirk. The comparison may have some value and some favorable implications. London stock prices, after declining from 1937, have been rising since Dunkirk. A great change-over took place in British industry. First effects were a slight decline in industrial activity, similar to the expected decline here as certain civilian industries are slowed down to conserve materials and men. But the change-over was quick and the output rise came soon. It will probably come soon here. Remember those dire August predictions of an impending 2,000,000 of "priorities unemployed." Watch for the dip this time to be similarly small compared to predictions, after which the FRB index of business activity is likely to continue its 1941 rate of climb.

Look for a terrific increase in defense bond sales. In Hawaii they jumped 900% the first week after the Battle of Pearl Harbor (Knox reveals that it was a battle, not just a push-over); in this country sales have apparently at least doubled, and when the Treasury grows more energetic they should triple (particularly as employment and payrolls further increase and civilian shortages cut off the normal ways in which people can spend money). That should mean sales in the fiscal year 1942-1943 of perhaps $10 to $15 billion, substantially easing the pressure on the Treasury. Insurance companies, savings banks, and corporations are "ready to go" in facilitating and urging sales, even without any compulsory - purchase feature; though some of the sales will not be as anti-inflationary as they appear, since they may be effected by withdrawals of savings.

There ought to be at least a faint chance for IBA and NASD members to get some employment from the Treasury's borrowing needs. After all, they are set up to distribute securities. In Canada the government is using their facilities. Surely Wall Street will not be entirely bypassed or its services used without any compensation at all. . . . It now seems inevitable that the Treasury will have to continue relying on the commercial banks for part of its financing. . . .

On the labor front look for "negative unemployment" within six months; i. e., the employment of old men, young men, and women in addition to the "normal labor force" of the country. . . . Average work-week last month in 25 major industries was only 42 hours. Imagine how that will step up. . . . At time-and-a-half for over 40 hours that will mean higher wages. But that's about all the higher wages likely to be granted from here on, if even that is granted . . . except for cost-of-living adjustments, as in Canada, despite labor's dislike of them. . . . Look also for an end of jurisdictional strikes for the duration. . . . Let us hope our major labor troubles are now over. . . .

Labor will be called on for considerable re-distribution in coming months, many distortions, some hardships, in the change-over from civilian to arms output. . . . But it will have no grievance on this score likely to register with the rest of the American people. We're all in the same boat. . . .

If and when civilian rationing comes it will not be so hard to take as it sounds, or as it has been in Britain. If the immediate public reaction to Pearl Harbor meant anything it meant that the voluntary principle will go a long way. Look at the sharp rise in defense bond sales and Army, Navy, and air raid warden enlistments. . . . And there are plenty of the necessities. The shortages will be in the semi-luxuries. . . . And incidentally the heavy 1941 sales in these lines will provide a substantial cushion. Look at the recent decline in automobile sales. People ap-

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PERSONNEL ITEMS

If you contemplate making additions to your personnel, please send in particulars to the Editor of the Financial Chronicle for publication in this column.

(Special to The Financial Chronicle)
CHARLOTTE, N. C.—**Robert J. Powell** has been added to the staff of **R. S. Dickson & Co., Inc.**, Wilder Building.

(Special to The Financial Chronicle)
CHICAGO, ILL.—**Edward H. Van Cott** has become associated with **J. S. Bache & Co.**, 135 South La Salle St. Mr. Van Cott was previously with Paine, Webber & Co. for many years.

(Special to The Financial Chronicle)
CHICAGO, ILL. — **Robert M. O'Donnell** is now connected with **E. H. Rollins & Sons, Inc.**, 231 South La Salle St.

CLEVELAND, OHIO—**Ralph L. Williams** has become affiliated with **Ball, Coons & Co.**, Union Commerce Building. Mr. Williams has recently been in business for himself and in the past was with the Peoples National Bank of Lakewood, and prior thereto for 25 years with the Union Trust Company of Cleveland.

(Special to The Financial Chronicle)
GRAND RAPIDS, MICH. — **Paul S. Johnson**, formerly with M. L. Pardee & Co., has become associated with **Continental Securities Co., Inc.**, People's National Bank Building.

(Special to The Financial Chronicle)
LONG BEACH, CALIF.—**Allan H. Stunz** has been added to the staff of **M. S. Walker & Co.**, 125 East First St.

(Special to The Financial Chronicle)
LOS ANGELES, CALIF.—**Albert Van Zandt** is now with **C. L. Wells & Company**, 724 South Spring St.

(Special to The Financial Chronicle)
ONTARIO, CALIF.—**Harvey O. Chapman** has become associated with **Merrill Lynch, Pierce, Fenner & Beane**, 523 West Sixth St., Los Angeles. Mr. Chapman was previously Ontario, Calif., Manager for Davies & Co. and White, Wyeth & Co.

(Special to The Financial Chronicle)
PASADENA, CALIF. — **James H. Logan**, formerly with Bateman, Eichler & Co. and Wyeth Hass & Co., has become connected with **Dean Witter & Co.**, 355 East Green St.

(Special to The Financial Chronicle)
PASADENA, CALIF.—**Louis R. Spaeth** has joined the staff of **Franklin Wulff & Co., Inc.**, 234 East Colorado St.

(Special to The Financial Chronicle)
SEATTLE, WASH. — **Carlisle Norwood**, for many years with Arthur G. Latimer & Co., has become affiliated with **Harold H. Huston & Co.**, Hoge Building.

(Special to The Financial Chronicle)
SEATTLE, WASH. — **Tory L. Davidson** has joined the staff of **Earl F. Townsend & Co.**, Dexter Horton Building.

Over-The-Counter Dealers Must Unite!

(Continued from First Page)

leave practically nothing at all for handling charges and salesman's commission. We also believe that securities must be sold to investors and this costs money. Also, it is imperative that, through the medium of over-the-counter Dealers in securities, this nation should keep its channels of private finance flowing freely. In order to do this, over-the-counter Securities Dealers must hire salesmen and therefore should be able to pay trained men a sufficient compensation to make their efforts productive and afford them a living.

Today, more than ever before, it is essential that the Securities Commission and such associations as the NASD should work in harmony with the men who are actively engaged in the investment banking and securities business. Now that this nation is at war, the time for petty bickering and arguments among ourselves should be definitely a thing of the past.

We feel certain that if the NASD and the SEC can be shown that these published quotations which now appear are much too narrow, they will take steps to cooperate and have them changed so that at least a better margin of profit can be obtained. But first, we must show them that our demands are warranted.

Please address all your letters to the Editor, Financial Chronicle, 25 Spruce Street, New York City. In our opinion, this is one of the most vital matters that the over-the-counter Securities Dealers have ever been called upon to clear up and correct. Your comments and cooperation are urgently requested.

L. F. Rothschild Will Admit Cohn, Treuhold

Henry A. Cohn, member of the New York Stock Exchange, and Eugene Treuhold will become partners in L. F. Rothschild & Co., New York Stock Exchange firm, 120 Broadway, New York City, as of Jan. 1, 1942. Mr. Cohn has been engaged in business as an individual floor broker. Mr. Treuhold has been associated with L. F. Rothschild & Co. for many years as manager of the bond trading department.

de Fontaine Now With E. W. Clucas Company

Wade Hampton de Fontaine has become associated with E. W. Clucas & Co., 70 Pine Street, New York City, members of the New York Stock Exchange and other leading national exchanges. Mr. de Fontaine was formerly with Penington, Colket & Wisner and prior thereto was a partner in Lord & Widli.

Tomorrow's Markets Walter Whyte Says——

Prospective purchases may well be postponed until reaction has developed; hold what you have but don't forget the "stops"; for more details see below.

By WALTER WHYTE

This is the second column since we entered the war and the market is slowly beginning to get over it's first shock. Last Thursday stocks snapped back to reach a figure of approximately 80 in the N. Y. "Times" averages. The next day, Friday, they hung around the previous day's highs but at no time were they able to go beyond them. Saturday was almost as repetitious as Friday. Monday they continued to keep near the previous rally highs but the lows were avoided. Tuesday and yesterday the same pattern continued except that on these days a few stocks were driven down to below the previous lows. Outstanding were the two motor leaders, Chrysler and General Motors, and that blue chip, American Telephone.

* * *

So far the market has been of a pattern set for it by all previous unexpected news. The pattern is as follows: The first shock brings in selling. As this selling increases security holders becoming frightened or worried join the parade. The result is more and more selling and with a sharp increase in volume. Such selling is usually self-limited. It stops when the news, known or unknown is digested and appraised. When this stage is reached the market either has a quick reversal or enters a period of dullness. Naturally this depends on the kind of news.

* * *

I might point out that if, instead of the recovery, the market had gone into a period of dullness, the immediate future w o u l d n o t appear bright. For such a condition presupposes two things. One, selling has dried up; but two, it has not brought out any new buying. This in turn would mean that more bad news was expected and buying was not to be done.

* * *

Instead of this, we saw a recovery of approximately three points in the "Times" average.

* * *

Now the question is posed that, having had the rally, what will the market do next? No answer appears yet. But if former patterns of "news" markets are to obtain you can look for the following:

A reaction equal in depth to the setback of last week but volume on this reaction to dry up. And when the averages (or most stocks) reach the lows of last week, the volume to show a marked step-up on plus ticks and a step-down on down ticks. If, however, the opposite is the case then the only conclusion to make is that the market is headed lower. How much lower, only time itself will tell.

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SEC Applications For Broker Dealer Registry

The following applications were made with the SEC for registration as dealers and brokers on the dates indicated:

Nov. 18, 1941—W. Alden Harvey, Blackstone Apartments, Baltimore, Md., a sole proprietorship, handling oil royalties.

Nov. 24, 1941—Arthur Ellt Hungerford, 809 North Charles Street, Baltimore, Md., a sole proprietorship; Duncan Murphy, 199 North Oxford Street, Hartford, Conn., Duncan B. Murphy, sole proprietor.

Nov. 25, 1941—James C. Frederick, 325 Walnut Avenue, Cranford, N. J., a sole proprietorship; Ogden H. Freeman, 20 Exchange Place, New York City, a sole proprietorship; Rakestraw, Betz & Company, 123 South Broad Street, Philadelphia, Pa., Edward H. Rakestraw withdrawn as a general partner and admitted as a limited partner, other partners remaining unchanged.

Nov. 26, 1941—James Valentine Harbison, 803 Ramsey Tower, Oklahoma City, Okla., a sole proprietorship.

Nov. 27, 1941—R. H. Moulton & Co., 510 South Spring Street, Los Angeles, Calif., Robert H. Moulton, Francis Moulton and Vic E. Breeden, formerly officers, as partners, Elmer Booth and J. C. Finch having withdrawn as officers.

Nov. 29, 1941—Allen and Company, 211 East Lemon Street, Lakeland, Fla., J. Everett Allen, formerly proprietor, and Schuyler I. Golden, partners.

Willard Sheldon Forms Own Business On Coast

(Special to The Financial Chronicle)

PALO ALTO, CALIF.—Willard H. Sheldon is now engaging in a general securities business from offices at 343 Kellogg Avenue. Mr. Sheldon was formerly with Coons, Milton & Co., Dean Witter & Co., and E. A. Pierce & Co. In the past he was a partner in Phillips & Co. and McCreery, Finnell & Co.

Defaulted RR Bond Index

The defaulted railroad bond index of Pflugfelder, Bampton & Rust, 61 Broadway, New York City, shows the following range for Jan. 1, 1939, to date: High—34 5/6, low—14¾, last—29⅜.

RAILROAD SECURITIES

The reorganization railroad group has been subject to double pressure during the past week and a half. For one thing the bonds suffered their share of the war scare liquidation that followed initial set-backs in the Pacific, and for another there has developed a feeling of uncertainty as to future reorganization progress. The latter consideration arises from the succession of adverse court decisions in pending cases which had presumably been far advanced towards final consummation.

Both the Western Pacific and "St. Paul" reorganizations were turned back by the Circuit Courts on the grounds of insufficient supporting data as to valuations. Prior to this action, there had been such confidence in actual and relatively expeditious consummation of at least the "St. Paul" plan that active arbitrage operations had been going on for months between the old bonds and the new "when issued" securities. These Circuit Court upsets were followed in quick succession by rejection of part of the "New Haven" plan by the District Court, and an order by the Federal Judge in the "Rock Island" case to show cause why the reorganization should not be disapproved.

This has brought up the question as to whether any of the Section 77 reorganizations (except Erie which is virtually completed) can be consummated as they are now set up, and even if they can, how much further delay may be involved in working up the additional data required by the higher courts.

Under the stress of this dual market handicap, defaulted bonds as a whole moved sharply lower, and in some cases declines at the low of the move represented a paring of up to 50% from the 1941 highs. The monkey-wrench thrown into the reorganization machinery by the higher courts may detract materially from the near term speculative trading appeal of the reorganization group. Nevertheless, basic values have apparently not been disturbed, particularly in the case of the better secured liens, and the changing speculative aspect is hardly important enough to warrant such a drastic reappraisal of market status.

One characteristic of the present crop of ICC reorganization plans is their conservatism with respect to allowable fixed charges, and this part is hardly apt to be upset by any court. Fixed debt in practically all instances has been held to levels virtually, if not actually, impervious to depressions. The new first mortgage bonds, therefore, should range from sound to high grade in quality. Barring a very severe change in money market conditions, bonds of this caliber would likely range in price, after some seasoning, from the low 90s to above par. Without any other consideration, then, it is obvious that recent market appraisals of these defaulted bonds are little short of rediculous.

There are other considerations, however, and they are operating on the bullish side. High earnings are resulting in rapid accumulation of cash so that it will probably not be necessary to issue new money bonds provided in most plans. This will reduce fixed charges below those called for in original plans and thus further improve the quality of the new first mortgage bonds. Also, the heavy cash balances and the bright earnings prospects augur well for a more liberal attitude towards partial interest payments during reorganization proceedings.

	Recent Market	*Face Value New First Mortgage
Chicago Milwaukee & St. Paul gen. 4½s, 1989	35	$280.00
Chicago & North Western gen. 5s, 1987	21¼	208.00
Chicago & North Western 1st & ref. 4½s, 2037	13	152.00
Chicago Rock Island & Pacific sec. 4½s, 1952	10¼	65.98
Missouri Pacific 1st & ref. 5s, 1980	23¾	300.00
New York New Haven & Hartford 1st & ref. 4½s, 1967	24¼	233.00
St. Louis-San Francisco cons. 4½s, 1978	10½	169.24

*As proposed in Interstate Commerce Commission reorganization plans.

While the Circuit Court decisions handed down do not necessarily presage any important revisions in the plans covered, defaulted bonds in many instances have declined close to, and even below, the face value of new first mortgage bonds proposed for distribution under the Commission plans. No values are given to projected large blocks of junior securities. The above tabulation shows a few typical examples, listing recent market for representative defaulted bonds compared with the face value of first mortgage bonds allocated to their claims by the Commission.

N. Y. Stock Exchange Weekly Firm Changes

The New York Stock Exchange has announced the following weekly changes:

In accordance with the provisions of section 13 of article IX of the Constitution, the Exchange has approved the application of Lamson Bros. & Co. for permission to continue its status as a member firm for a period of 45 days from Dec. 3, 1941, the date of death of the sole Exchange Member partner.

John P. Cronin retires from partnership in Benjamin Jacobson & Co., New York City, as of today.

Transfer of the Exchange membership of Martin B. Saportas to Hobart Ford will be considered on Dec. 23rd.

The privilege of Henry W. Miller to act as alternate on the floor of the Exchange for Robert S. Dodge under section 15, article IX, has been withdrawn. Both are partners in Miller & Dodge, New York City.

To Be Hornblower Partners

Paul J. Eakin, Richard E. Norton and Charles R. Perrigo will become partners in Hornblower & Weeks, 40 Wall Street, New York City, members of the New York Stock Exchange and other leading national exchanges, on Jan. 1, 1942. Mr. Eakin is manager of the investment department of the firm's Cleveland office, Union Commerce Building; Mr. Norton is in charge of the Philadelphia office at 1429 Walnut Street, and Mr. Perrigo is manager of the underwriting department of the Chicago branch, 39 South La Salle Street.

Bank and Insurance Stocks

This Week — Bank Stocks

Entry of the United States into World War II under dramatic circumstances has raised numerous questions about the future of interest rates, Government securities, bank credit expansion, bank dividends, continued private operation of the banking system and other related problems arising from the reality of war.

Obviously, answers to these questions are impossible to give at this time, and even a general answer, depending upon present or probable conditions, would be rendered inaccurate by sudden change in conditions under wartime emergency.

Nevertheless, a general look at some of these questions, subject to the qualifications of "change without notice," might be in order.

Interest rates: The future of interest rates is vitally important to bank stock investors because rates are the fundamental which will affect earning power and solvency. Any rise in interest rates creating better earnings would be tempered by the fact that higher rates would cause depreciation in holdings of high grade bonds.

Specifically, Government securities of New York City member banks total $6,900,000,000, or alone 57% of total earning assets and 4½ times total capital funds. During the past year, $1,280,000,000 of Governments were added, compared to present excess reserves at New York of $1,130,000,000.

With a $150,000,000,000 Defense Program now planned, and a doubling of the $1,500,000,000 monthly defense rate projected, it appears that previous estimates of $25,000,000,000 deficits for 1943 and 1944 will have to be adjusted sharply upward. Even if the plan is still followed to raise two-thirds of this cost by taxation, a huge increase in the debt is in the offing.

Bank expansion in Government security holdings alone will therefore probably be so substantial as to exhaust present volume of excess reserves and ordinarily raise money rates, especially since the chief factor creating excess reserves in the past—gold imports — is no longer operative.

The Government, however, is vitally interested in stability of interest rates at low levels to finance the war effort with a minimum of cost and upset. The monetary agencies have powers which, most authorities agree, would be strong enough to check any important rise in money rates and upset to the bond market:

(1) Open market operations and loans on Government securities at par.

(2) Reduction in reserve requirements.

(3) Utilization of the $1,800,000,000 gold profit earmarked as the Stabilization Fund.

(4) Spending of seigniorage profit on silver.

(5) "Freezing" of interest rates and market for Government securities under wartime emergency powers.

(6) Or more directly inflationary measures as a last resort, such as exhaustion of present devaluation power, further devaluation or invoking the power to print $3,000,000,000 in "greenbacks," to create reserves.

In any event, interest rates will continue under control at low levels, although some rise in short-term returns may occur.

Government securities: The feeling appears general that the "top" for high grade bonds has been seen. Institutions, however, must show "bread and butter" earnings to offset rising costs, pay dividends and show modest return, apart from patriotic considerations in supporting defense financing or self-interest in continuing support of the market for their largest earning asset.

Much as some institutions may dislike to increase Governments in view of already high ratio of holdings to capital accounts, it therefore appears likely that concentration in Governments will become much higher.

Bank credit expansion: During the past 12 months, about 60% of the credit expansion at New York has been in Government securities, although commercial loans have made their strongest recovery showing with a $650,000,000 expansion.

With priorities restricting civilian production and facilities devoted to increased extent to defense goods, for which Government financing arrangements for plants and production are available, it is likely that bank loans may decline, despite distribution of defense work by sub-contracting to smaller firms borrowing at banks. On the other hand, supply of Government securities will be available in increasing supply. With returns controlled, therefore, it will continue to take a large given volume expansion at low rate to produce a given income.

Bank dividends: Large expansion on the way in Governments and continued emphasis on volume for earnings magnify the problem of sufficiently large capital funds to support expanding earning assets and deposits. But operating earnings should rise moderately, as volume expansion may more than offset increased costs and rates available on Governments may improve somewhat.

Reducing bank dividends will will not provide anywhere near the additional capital funds required, and may definitely kill any hopes of interesting stockholders in subscribing to more capital. Increased dividends, on the other hand, are possible only by unusually good earners, as capital funds should be conserved for the expansion in earning assets and deposits. RFC money for preferred stock is of course available to strengthen capital funds and impart safer leverage to stockholders' equity.

Private operation of banking system: The character of private operation, quasi-public in normal times, is bound to incur increased Government control in wartime. Normal principles of financial conservatism will have to be secondary to defense needs. Bankers, however, have pledged their undivided support to the war effort, and no form of direct Government operation of the banks would be justified or necessary.

Summary: Judging the outlook from the bank stockholder's standpoint, the banks will probably continue to operate under controlled stability of interest rates, which while low, will mean steady levels for Government securities. Volume expansion in Governments and to lesser extent in loans will create moderately better earnings, but dividends would not be increased because of necessity of conserving capital funds. The RFC may again build up a large senior capital interest in banks, but no other direct Government participation should be necessary in view of general cooperation with the Defense Program.

Our Reporter's Report

(Continued from First Page)

banks were inclined to expect that selling for the account of nervous individuals might present buying opportunities which had been absent for considerable time.

Consequently, according to dealers, there was a reappearance of substantial bids from insurance companies and banks, the latter like the first-mentioned having been virtually withdrawn from the market for a prolonged period.

Naturally such bids were entered at levels materially below the highs prevailing prior to the outbreak of war in the Pacific. What was more important from a market point of view at the moment, however, was the fact that trusts and individuals failed to be seriously disturbed.

And while the institutions have been in the market with sizeable bids, they have not, up until this time at least, been successful in adding very substantially to their portfolios.

Doubtless they find little to worry about in the situation since they are standing by to take up their portions of new government financing necessary to prosecution of the war.

Need For Revising Plans

That corporations which had been working up new issues prior to a fortnight ago will be forced to revise such plans has become increasingly evident during the last week or ten days.

While the market has been behaving admirably there is no gainsaying the fact that yields have been altered sufficiently to have a hearing on new undertakings.

Return in investments has always been gauged in keeping with the risk involved. And the war has caused investors to take stock of the situation.

A case in point is Public Service Company of Indiana which had asked bids on $42,000,000 of 3⅜% bonds last Tuesday fixing a minimum price of 104. Two groups had intended to bid on the issue, but changes marketwise prior to the date set for the auction brought withdrawal of both due to the price limitations. Consequently there was a complete dearth of tenders.

"Pennsy" Equipments Move

The market accorded the $18,465,000 issue of one to fifteen-year Pennsylvania Railroad Equipment trust certificates a ready reception.

The road received three bids from banking groups with the wining tender being 100.18 for the issue as 2⅜s, the lowest bid for similar securities in many months.

Reoffering was made on a scale ranging from 0.75% for the nearest maturity to 2.60% for the series due in 1957. Dealers reported the issue in brisk demand with short and intermediate maturities moving out quickly.

This year, incidentally, has produced the largest volume of rail equipment financing since the middle twenties, with a total of about $254,800,000 being marketed.

Vultee Aircraft

Looking over the terms set for the offering of the issue Wall Street had little doubt as to the ready acceptance by the market of the 240,000 shares of cumulative convertible preferred stock being marketed for Vultee Aircraft to finance the purchase of a large block of Consolidated Aircraft Corporation shares.

Carrying a $1.25 cumulative dividend and convertible into common any time after January 15 next at the rate of one preferred for two and one-half shares of the junior equity, the issue was priced at $25.

In the present situation, with full emphasis on military planes and full operation on Government orders assured, this deal was regarded, in the parlance of the marketplace as a "quicky."

With the year-end close at hand, the trade now figures that there is very little chance of anything in the way of substantial new business developing until after New Year's.

In normal circumstances the closing fortnight of the year is given over largely to getting books and accounts in order for closing. And currently the moderate unsettlement pricewise is moving prospective borrowers to await a reappraisal of the market.

But recognizing the seriousness of the situation, there is a disposition to take the attitude that even though we are at war people and institutions will continue to have funds for investment.

A good part of such money, will naturally go into war bonds, but the call for private corporation securities is expected to remain substantial nevertheless.

"Railroad Facts" Issued

"Railroad Facts," 1941 Edition, prepared by the Western Railways' Committee on Public Relations, has just recently been issued. The purpose of this booklet, which contains 96 pages, is to bring to the attention of its readers the facts regarding the railroads of the United States. The presentation in its pages is largely graphic and statistical. Most of the figures used therein have been taken from official publications of the Interstate Commerce Commission and various figures were also furnished by the Bureau of Railway Economics.

Any inquiries regarding this booklet may be made to the Western Railways' Committee on Public Relations, 105 Adams Street, Chicago, Illinois.

Fed. Reserve Banks Report On Business

(Continued from First Page)

tinued along the lines of recent tendencies.

With respect to production and trade in October, the Bank's seasonally adjusted index declined one point further to 108% of estimated long-term trend: The figure for October a year ago was 96. The decline of the index in October, like the larger decline in September, resulted from amount consumed in October a year ago.

During October, production of slackening in the volume of retail trade, seasonal factors considered. The general level of production, on the other hand, appears to have moved somewhat higher in October. The Bank's summary continues:

Department store sales, which on the average have shown little change between September and October in past years, this year fell about 10%, while sales of mail order houses and variety chain store systems increased considerably less than usual between September and October. There was a substantial seasonal increase in retail sales of new passenger cars, but the volume of sales was 43% lower than in October, 1940. After adjustment for seasonal factors, the flow of goods through primary distribution channels, as evidenced by railway freight traffic, appears to have decreased slightly between September and October.

ment in civilian lines occasioned by further restrictions on materials and production of certain articles.

Fifth (Richmond) District

The Nov. 30 "Monthly Review" of the Federal Reserve Bank of Richmond indicates that "in spite of some difficulties in obtaining priorities for certain construction and industrial materials, the volume of trade and industry in the Fifth Reserve District in October and the first part of November was about up to seasonal level, and on the whole far exceeded October, 1940, volume." The following is also reported in the "Review":

Distribution of consumer goods continued in larger volume than a year ago except in automobiles. Department store sales in 79 stores in the district showed a 9% rise in October above sales in September, and exceeded October, 1940, sales by 13%. Rayon yarn shipments in the United States to domestic consumers set an all time monthly record in October, and cotton consumption in both the United States and the Fifth District reached new high figures. Tobacco manufacturing in October was in large volume, and cigarette production set a new monthly record of 19,632,466,010 cigarettes, of which 84%, or 16,572,086,000 cigarettes, were made in the Fifth Reserve District.

Sixth (Atlanta) District

The following regarding business in the Sixth Federal Reserve District is reported in the Nov. 30

	1940 Oct.	1941 Aug.	1941 Sept.	1941 Oct.
•Indexes of Production and Trade—				
(100 = estimated long-term trend)				
Index of Production and Trade	96	114	109p	108p
Production	99	116	115p	117p
Producers' goods—total	100	124	127p	128p
Producers' durable goods	100	131	135p	138p
Producers' non-durable goods	101	118	118p	119p
Consumers' goods—total	97	105	102p	104p
Consumers' durable goods	96	108	96p	95p
Consumers' non-durable goods	97	105	104p	106p
Durable goods—total	99	124	123p	125p
Non-durable goods—total	99	110	110p	111p
Primary distribution	87	108	103p	101p
Distribution to consumer	96	115	100p	95p
Miscellaneous services	93	105	103p	102p
Cost of Living, Bureau of Labor Statistics—				
(100 = 1935-39 average)	100	106	108	109
Wage Rates—				
(100 = 1926 average)	114	123	124	
•Velocity of Demand Deposits—				
(100 = 1919-25 average)				
New York City	26	27	27	30
Outside New York City	54	61	59	59

p Preliminary. • Adjusted for seasonal variation.

Third (Philadelphia) District

It is stated by the Federal Reserve Bank of Philadelphia, in its "Business Review" of Dec. 1, that expanding defense requirenemts and generally increasing incomes are sustaining industrial and trade activity in the Third Federal Reserve District at unusually high levels. The "Review" adds that "production of heavy manufactured goods is the largest on record, and factory payrolls are the greatest since reports were first received in the early 1920's. Retail sales by department stores are the largest for this season in more than a decade. Wage earnings and prices continued to advance."

Fourth (Cleveland) District

The Federal Reserve Bank of Cleveland indicates in its Nov. 29 "Monthly Business Review" that Fourth District business activity continued at a record rate in October and the first weeks of November even though adjustments in operating schedules and employment were necessitated by the increasing importance of war material production. The Bank's bulletin continues:

Pig iron and steel ingot output were well maintained, though somewhat handicapped by work stoppages at captive bituminous coal mines and recurring scrap shortages. Commercial mine schedules were increased, so that total soft coal production remained at unusually high levels. Metalworking industries making defense items operated at the practical limits of expanding capacity, thus offsetting curtail-

"Monthly Review" of the Federal Reserve Bank of Atlanta:

October was the third consecutive month in which the value of construction contracts awarded in the Sixth Federal Reserve District exceeded all previous high levels. The October total was nearly three times that for October, 1940, and the January-October total was 60% greater than for that part of last year. Pig iron production was up 5% from September, and textile operations increased slightly. Department store sales, however, following an unusual rise in August and a smaller than seasonal gain in September, actually declined in October, and wholesale trade changed little from September.

Seventh (Chicago) District

In its Dec. 10 "Business Conditions" report, the Federal Reserve Bank of Chicago states that the tempo of industrial production in the Seventh Federal Reserve District quickened in November, although the pressure against further expansion increased as plant capacities were reached, shortages of critical materials become acute, and "priorities unemployment" increased in non-defense industries. The dollar volume of trade continued upward accompanied by a larger volume of factory payrolls and augmented farm income. The Bank's summary adds:

Those Seventh District industries which are directly concerned with the defense effort not only forged ahead, but also made greater advances than were recorded by the country as a whole. Steel and coal fell within this category.

With the exception of the short Thanksgiving week, automobile production each week in November exceeded the output for the corresponding weeks of October, ranging from a low of 77,000 units to a high of 94,000.

Production of crude oil in Illinois, Indiana and Michigan declined slightly compared with October.

Eighth (St. Louis) District

The Federal Reserve Bank of St. Louis reports that "continued high levels of industry and trade were maintained in the Eighth District throughout October and early November." In the Bank's "Business Conditions" for Nov. 28 it is also stated:

Output of bituminous coal at mines in this area in October increased 7% over September and was 30% over October, 1940. Steel ingot production at mills in the district returned to 98% of capacity and held that rate as of mid-November although acute scrap shortages threaten curtailment in the near future. October comption of electricity by industrial users was 2% and 23% greater, respectively, than a month and a year ago. Production of lumber continued at near capacity rates, while orders and shipments exceed production. Building permits granted in October showed sizeable increases over September and October, 1940. However, construction contracts let declined from a month and a year ago.

Ninth (Minneapolis) District

The Nov 28 "Monthly Review" of the Federal Reserve Bank of Minneapolis has the following to report:

Business volume during October showed mixed trends when compared to September but was greater than in October last year. Retail sales showed small increases over 1940. Deposits at both country and city member banks expanded to record levels. Farm prices declined but farmers' cash income from the sale of livestock and livestock products was 45% over October, 1940.

Tenth (Kansas City) District

The following regarding business conditions in the Tenth Federal Reserve District was reported in the Nov. 29 "Monthly Review" of the Kansas City Federal Reserve Bank:

October rainfall in the district averaged nearly three times normal and there was extensive flood damage in many places.

Cattle slaughter and the production of flour, petroleum, coal, lead and zinz continue very active. Under the stimulus of national defense, construction is in large volume but non-defense residential building and lumber sales are below a year ago.

Eleventh (Dallas) District

According to the Dallas Federal Reserve Bank, the output of some important manufacturers in this district leveled off in October at the advanced rate previously attained, while mineral production increased and construction activity was in record proportion. In its Dec. 1 "Monthly Business Review," the Bank also reports:

Consumer purchases at department stores declined contra-seasonally in October and the adjusted index of sales fell to the lowest level recorded thus far this year. . . . Petroleum production rose to the highest level of the year in October, whereas, the production of refined products, as measured by crude oil runs to refinery mills, showed little change from that in the preceding month. Lumber production declined somewhat further in October, but shipments remained at about the September level.

Twelfth (San Francisco) District

The San Francisco Federal Reserve Bank reports that although capacity or near-capacity operations in a number of industries and increasing difficulties encountered by many firms in obtaining skilled labor, materials and equipment as needed are hampering further aggregate expansion, continued gains in the Twelfth District's two major defense industries carried forward district factory employment and payrolls to new records in October. The Bank's "Business Conditions" review of Nov. 28 further says:

On the whole, activity in industries other than aircraft production and shipbuilding registered a small further gain in October. For some weeks lumber production has been in excess of new orders which have declined considerably since the Summer peak, but output in October decreased less than seasonally. Plywood plants and pulp mills operated, as they have for some time, at capacity. Crude petroleum production and refinery operations showed little change in October.

Investment Trusts

Observations On The War

Calvin Bullock—"Above all else, one objective unites everyone today. Each person, in many different ways and in due course, will make his contributions toward that end in such manner as he shall be directed or as he shall, on his own initiative, deem most effective.

"But there are responsibilities which cannot—and should not—be lightly put aside in the present emergency. Those responsibilities are imposed by individual circumstances, by family, by community, by occupation.

"Our business responsibility—speaking as a firm—is to serve as best we can, the interests of thousands of investors. They, individually and collectively, have a major stake in the outcome of the war and in the future of our institutions.

"And they, directly and indirectly, will be called upon to make sacrifices toward the successful outcome of the emergency.

"Nor are they a separate class of people. They cut across all occupational lines, all social lines, all geographical boundaries. And to many of them, the success or lack of success which they achieve through their investment activity determines in large part the degree of aid which they can or cannot give to the Government to procute the war."—From *Bulletin*, Dec. 11, 1941.

The George Putnam Fund of Boston—"Naturally all eyes are focused on the Japanese situation. Like everyone else, we have ideas on this subject, but in the face of so many unknown factors and so many unpredictable things that may occur we see little point in bothering you with our opinions. Our talks with people who are in a position to form an intelligent opinion indicate to us that the task may be more difficult and more extended than most people appreciate. Our experience teaches us that under such conditions it is well to be prepared for the unexpected and the unorthodox.

Osborn—in a special "Letter to Dealers."

Hugh W. Long & Company—"Concerned about the effects of

"At least we know where we stand now. The atmosphere has been cleared of a major uncertainty. This much is constructive. Our preliminary impression is that no major change is required in the investment policies of the Fund. The formal declaration of war has merely speeded up and intensified a development that has been apparent for some months, namely the shift from a peacetime to a wartime economy. On Dec. 8, the Fund had approximately 11% of its resources in cash, 36% in bonds and preferreds and 53% in common stocks."—From the Trustees — George Putnam, Charles M. Werly, and Richard our entry into the war on investments, I lunched yesterday with one of our economic advisers. I'll try to give you his conclusions.

"Our announced war status represents a change in degree more than in kind from that we have become accustomed to since the fall of the Low Countries and France.

"The first days' drop in stock prices reflected a shock because of the unexpected nature of the Japanese attack—not the war itself. This selling found the market in better shape than during the panic of May, 1940, following Hitler's invasion of Holland.

"Unless the Axis is completely successful stock price adjustments have practically discounted almost any eventuality—that was his studied opinion as expressed to me.

"The common sense attitude to assume toward the war is that we will win it. The great superiority in men and materials of the United States, British Empire, Russia, China and Dutch dominions over Germany, Italy and Japan will tell in the end.

"Tax and priority positions of companies now require increased study," he stated. "Inflation immunity and possible military depredation are other important factors.

"On the other hand," he pointed out, "certain influences could be considered good. Less difficulty with labor could be anticipated. Loyalty is the order of the day. Less interference with private industry of the arbitrary, social aim

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Municipal News & Notes

The sudden outbreak of hostilities in the Pacific caused municipal prices to skid for the first few days but they now seem to have regained their stability. Because of the rapid decline which took place in the past fortnight on these high-priced obligations, dealers report that increased demand has been manifested. This better tone may be attributed partly to the more optimistic news from the actual fighting zone and partly because of calmer trading.

Just what is in store for the municipal coterie is problematical. Point of view of dealers is that the future of the municipal market, relative to other classes of bonds, depends primarily upon whether the Treasury seeks to tax outstanding obligations. Should such action take place, it was held, the market would collapse quickly.

If, as is more generally assumed the exempt status is retained, municipal bonds should show strength, possibly superior to that of other classes of issues. This would prove the case particularly as and if income taxes advanced. At present demand for municipal bonds is largely institutional. Further advances in income taxes, it is held, would create a market among personal investors.

A significant point in recent developments is the fact that large-scale investors did not attempt to dispose of the securities. Most state and municipal bonds are in strong hands and there is little likelihood that substantial blocks of bonds will be sold. Sales would, of course, automatically create a problem of reinvestment and it is not considered good investment policy to hold large sums of cash in war periods.

Tax Exemption Of Local Bonds Defended

Solicitor General Henry Epstein, addresing the Municipal Forum of New York last Friday, stated flatly that the Treasury Department should cease its agitation for the taxation of State and local bonds.

In disputing the arguments upon which the Treasury Department based their plea for the taxation of local bonds, Mr. Epstein stated that the Treasury's own records were a complete answer to their arguments that the wealthy were escaping taxes and that, moreover, there was no chance whatsoever to obtain revenue for national defense without taxing outstanding securities which had been sold upon the pledge that they were tax exempt. This, Mr. Epstein said, would be disastrous. "By taxing outstanding securities," the Solicitor General continued, "the entire moral integrity of our National, State and local fiscal transactions will be destroyed. In fact, viewing the promises made on the issue of said securities, taxpayers would have to make up the difference because no government can retain the public's confidence and break such a promise. Not even the Treasury dares to suggest an intention to tax outstanding issues.

1941 Legislative Proposals Show Decline

At least 58,000 bills were introduced in State legislative sessions this year, with three States still unreported, the Council of State Governments said last Friday. Approximately 30% of the measures were enacted, most of them relating only to finances or administrative technicalities—not new "laws."

Bill introductions this year showed a slight decline from the total for 1939, the last year when most of the Legislatures met in regular session. 1% more of the bills introduced this year was passed, however. Measures vetoed numbered about the same for the two years.

In 39 States for which comparable information was available, a total of 55,765 measures—averaging 1,430 per State—was brought to Legislators' attention this year; in 1939, the number of bills introduced totaled 56,334.

Governors failed to approve 1,293 measures passed by Legislatures in 37 States this year. Two years ago 1,102 measures were vetoed.

Poll Tax Yield Discussed

For all the political controversy that rages over the poll tax, the actual State revenues it brings to the 10 States where it is still levied are of little consequence in their fiscal picture, the Tax Institute of the University of Pennsylvania points out.

In the current issue of "Taxes for Democracy," popular release of the Tax Institute, State revenues from the poll tax are shown to have yielded in 1940 only 1% of all the State income of seven of the 10 States. These were Georgia, Indiana, Maine, Massachusetts, North Carolina, Texas and West Virginia.

In Connecticut where the poll tax is levied by counties in behalf of the State for old age assistance purposes, the State netted 5% of its revenues from this source. Vermont with a poll tax for the same purpose got 4% of its State revenue from the poll tax impost and Virginia, 2%.

Municipal Credit Book To Illinois Banks

Arthur C. Lueder, Auditor of Public Accounts of the State of Illinois, announced recently that he will distribute to all State and National banks in Illinois the new book "Municipals," published by the committee on municipal obligations of the National Association of Supervisors of State Banks. Mr. Lueder termed the publication a valuable handbook on municipal credit analysis and noted that it "presents a form of uniform credit file for municipal obligations which serves as an outline of the information necessary for a careful credit analysis and in appraising investment soundness."

Florida Finances Termed Greatly Improved

Governor Spessard L. Holland, speaking recently at the silver anniversary banquet of the Florida State Chamber of Commerce in Panama City, declared that 'thanks to constructive tax legislation by the 1941 Legislature, to the increased collections in several tax fields and to various economies, the financial position of the State has vastly improved in 1941."

"This leaves the State in very strong shape to continue its operations even though Federal taxes must be largely increased to finance the defense efforts. The same observation can be made of the counties and other local units as the new tax laws are working out in such a way as to greatly strengthen the ability of the local units to collect property taxes adequate to finance their operations."

Ky. Appeals Court Rules On Trust Property Taxation

One of the legal problems of property taxation which has occupied an uncertain status until recently concerns jurisdiction to tax the resident's beneficial life interest in a non-resident trust comprising intangible property. About a year ago the Kentucky Court of Appeals and the Supreme Court of Pennsylvania independently decided that the state of a beneficiary's residence could impose a property tax.

The opinion in Kentucky, in the view of the trust beneficiary expressly involved, left open the question as to how the trust property which could not be assigned was to be valued. In Commonwealth vs. Sutcliffe, 283 Ky. 274, 140 S. W. (2d) 1028, the Kentucky Court of Appeals held that its original opinion determined this issue. Briefly, the appropriate method of assessment as found by the Court is to apply a life expectancy table and compute the capital value of the beneficiary's life annuity. This is the method, as a matter of fact, which the Commonwealth had originally used in its petition for retrospective assessment of Sutcliffe's estate. The Court's opinion is of widespread significance because it provides a procedure for all those States which apply their intangible property taxes on trust property against the beneficial interest rather than against the trustee.

Arkansas To Service Road Debt

With November collections reaching an all-time high at $2,901,937 and December contributing the bulk of motor vehicle tax receipts, the Arkansas Department of Revenue expects to complete this month the $10,500,000 account to cover debt service on highway maintenance costs as specified in the contract with the Reconstruction Finance Corporation which purchased the $136,000,000 highway debt refunding issue earlier this year.

The account had a balance of $5,295,713 before credits from November collections were entered. The gasoline tax at $1,274,129 and the motor vehicle license at $194,400 set up a gross credit of $1,468,530 for the highway fund. Other tax totals shown in the State refunding board's report for November showed $188,400 from the cigarette tax, $74,518 from the severance tax, $719,432 from the sales tax and $114,299 from the income tax.

The legislation which provided for the 1941 refunding established a State highway fund the revenue of which consists of all income arising from the registration of motor vehicles and approximately 85% of the gasoline tax, now at 6½ cents a gallon.

The first $10,500,000 of this State highway fund is to be used as follows: 30% for highway maintenance and 70% exclusively for current debt service and the redemption of bonds.

Mass. Local Finance Data Prepared

Tyler & Co., Inc., 75 Federal Street, Boston, are distributing the 33rd edition of their quarterly booklet of up-to-date financial statistics of the Commonwealth of Massachusetts, its counties, cities, towns and districts.

Statistics of municipalities presented in the booklet include population, gross and net debt as of Oct. 1, 1941, net debt ratio and per capita, assessed valuation, tax collections to Oct. 1, 1941, tax titles and tax rates.

Massachusetts Taxes Meals

Massachusetts' residents will start building up the State old age pension fund with their appetites Jan. 1, 1942, when a 5% tax goes on all meals served to the public which amount to one dollar or more. Special meal checks, numbered serially, will bear the inscription "Massachusetts Old Age Tax 5%." They will be issued for all meals, regardless of price, according to the Federation of Tax Administrators, and all food sellers will have to secure a certificate of registration. The law was enacted by the 1941 Legislature to provide revenue for increasing the amount of old age assistance.

Here And There

Up in the high Siskiyou Mountains of Northern California and Southern Oregon rough and ready mining men are agitating for a 49th State—Jefferson—to be constituted from bordering California and Oregon counties. California and Oregon aren't taking the "secession" seriously, believing it is more or less an effort to advertise the mineral opportunities of the region and to obtain large appropriations for roads into the mineralized section.

The Montana State Supreme Court has just ruled that the State's corporate license tax is virtually an income tax, therefore should not be levied.

Here's one for the "tongue-in-cheek" department. North Dakota's Governmental Survey Commission has voted to employ a Chicago public administration service to draft a plan for reorganization of the State Government. . . . Out in Salt Lake City experts employed to reorganize that city's government recommended that the City Commission which employed the firm be abolished.

Canadian Bonds Remain Strong

Canadian bonds generally are close to their highs of the last couple of years, a few of them around par. Some are 15 points or more above their 1941 lows. If the strength in Canadian bonds persists it is believed likely that a refunding operation will be arranged in this country regarding the 5s of 1952 which become callable next year at par.

In the past few years all Canadian Government and provincial issues maturing or becoming callable have been handled internally. Refunding through an issue of U. S. dollar obligations doubtless would have a tonic effect on the entire Canadian bond structure.

One of Canada's main problems has been to obtain enough American currency to make purchases in this country and to service American dollar bonds. This problem would be lessened if Canada were able to refund its 5s (of which there are $100 million outstanding) with, say, 4s. Under present market conditions this probably could be done without difficulty.

Major Sales Scheduled

We list herewith the more important municipal offerings ($500,000 or over — short term issues excluded), which are to come up in the near future. The names of the successful bidder and the runner-up for the last previous issue sold are also appended.

Dec. 18th (Today)

$3,940,000 Minneapolis, Minn.

Syndicate headed by Phelps, Fenn & Co. of New York, high bidder for bonds in August. Halsey, Stuart & Co., et al, and Salomon Bros. & Hutzler of New York, and associates, second best on the two separate issues.

Dec. 19th

$3,833,000 Tulsa, Okla.

Two Tulsa banks were awarded the bonds offered for sale last April. Runner-up in the bidding was the Northern Trust Co. of Chicago, and associates.

Dec. 22nd

$560,000 Tulsa Co., Okla.

There is no recent sale of bonds on record for the above county.

Dec. 29th

$3,944,000 Orleans Levee District, La.

Bonds were awarded by the district last April to a syndicate headed by R. W. Pressprich & Co. of New York.

$519,000 Scranton, Pa. (Sch. Dist.)

These bonds were originally offered on Dec. 8, but all bids were rejected. This district awarded an issue last December to a group headed by Fox, Reusch & Co. of Cincinnati. Runner-up was E. H. Rollins & Sons, Inc., and associates.

Jan. 5th

$2,700,000 State of Minnesota

Last August the State awarded similar certificates to a group headed by the National City Bank of New York. The only other bidder was the Wells-Dickey Co. of Minneapolis, and associates.

Investment Trusts

(Continued from page 1543)

variety. The people, Congress and the armed forces will expect efficiency in conducting the war.

"Substantial investments in carefully selected, well diversified common stocks are his recommendations for every portfolio under his supervision," he told me.—From the Editor, *The New York Letter.*

Massachusetts Distributors — "The outbreak of war brings with it many serious problems for investors: The difficulty of selecting individual securities is greatly increased due to many influences at play; the normal risks of investment are intensified by the unpredictable nature of day to day developments; the holding of cash entails the assumption of abnormal risks because its purchasing power is seriously threatened; the outlook for bonds and preferred stocks of all grades and classes requires reappraisal in light of many new influences likely to affect interest rates and price levels. Overshadowing all these problems—the duration, the trend and the ultimate effects of the war itself are unpredictable.

"In addition to new problems are new dangers: The temptation to seek quick speculative profits because of gyrating markets; the tendency to allow new conditions and new influences to obscure fundamental principles of conservative investment policy; the reverse tendency to rely solely upon conventionally conservative policy without making proper adjustment for new conditions and new influences; and, finally, the danger of allowing judgment to be influenced by emotion instead of reason."—*Brevits*, Dec. 13, 1941, reprinted from *Brevits*, September, 1939.

Investment Company Briefs

A dividend of 14 cents per share will be paid on the capital stock of National Investors Corporation on Dec. 23, 1941, to stockholders of record on Dec. 15. This payment will be approximately equal to the cash dividend income, less expenses and irrespective of security profits or losses for the second half of 1941.

For the first half, 10 cents per share was paid. Total dividend payments for 1941 will amount to 24 cents per share compared with 21 cents per share paid in 1940.

* * *

Who says investment trusts are "no better than the average?" On Nov. 29, 1941, the Dow Jones Industrial Average stood at 114.23, just .10 points above the May 21,

1940, mark of 114.13. Over that period, while the Average made no net headway, Republic Investors Fund, a leverage trust, advanced from $2.72 to $3.12—a gain of over 14% without any adjustment for dividends paid.

* * *

The Directors of American Foreign Investing Corporation declared a quarterly dividend of 10 cents per share on the common stock, payable Dec. 22nd to stockholders of record Dec. 10th.

This is the same amount as the last dividend paid on Sept. 23rd.

JOTTINGS

(Continued from page 1540

parently bought about all the cars they wanted last spring and summer while the buying was good. . . .

Believe it or not it looks as though the war will actually flatten the cost of living, not lift it further. The chart of current wholesale prices laid on the chart of those 25 years ago shows that the curious parallel in the first two years of the war is apparently ending — the sharp rise in 1916 is not being paralleled in late 1941. Britain's cost of living levelled off last spring and summer. After we entered the war in 1917 our own wholesale prices levelled off, though retail prices continued the 1916 rise.

Incidentally, for a complete and accurate story of economic and price history 25 years ago, see "The Business and Financial Record of World War Years," published by Herbert D. Seibert & Company (25 Spruce St., N. Y. City), a collection in one cover of the "Chronicle's" reports from 1914 through 1918. (Price $6.)

Radio jottings. . . . The industry is just getting its head above water, what with war news, censorship, West Coast blackouts . . . some advertisers liked the station cut-ins for news, thought they kept more people listening. Others got rather fed up. Stations give either refunds or substitute time as nearly comparable in value as possible. . . . Look for divorce of Red and Blue networks next month, Red (WJZ in New York) to remain "NBC Network" and Blue to become "United Broadcasting System or something like that. . . . NBC and CBS got a postponement to Jan. 12 of hearings on the networks' motion to enjoin FCC from enforcing its new rules on network-affiliate relationships. . . . Three-judge statutory court headed by Learned Hand . . . chief reason seems to be preoccupation of CBS officials with the war. . . . President Roosevelt's first message after Pearl Harbor estimated to have had 90,000,000 listeners. . . . Foreign-language broadcasts continue but short-wave people have dropped news commentators. . . .

The once vastly "overbuilt" cotton textile industry is hard-pushed. Operating now around 135% of two-shift capacity, i. e., nearly at three-shift capacity. It has to meet over-flow needs from silk, rayon, and burlap industry, and now black-out requirements. Army takes 20%, increased civilian requirements 10% of its output, but war will increase requirements. Current consumption is at rate of nearly 12,000,000 bales a year, or twice "normal" and over 1,000,000 bales more than current American cotton crop. Despite huge cotton carry-over there are already shortages in some grades and staples.

Probably only one thing stands in way of near-term Agriculture acceptance of Fulmer suggestion that crop-reduction brakes be taken off cotton and wheat. That is that these crops might then be expanded at the expense of soybeans, corn, hog, dairy, and other lease-lend farm products.

Miscellaneous. . . . Look for further extension of f.o.b. mill pricing. . . . Nobody can accuse the Association of Life Insurance Presidents of poor press relations at their annual convention. They hadn't any at all. . . "One old battleship!" They're *all* old, though most have been reconditioned. Until the North Carolina last April and the Washington last May we haven't commissioned a new battleship in 17 years. But they'll be coming thick and fast now. Phenomenal increases being reported in shipbuilding now, both for combat and merchant ships. . . . Big shift and reallocation in our merchant marine will no longer be public information. However, Axis ships from South America will help, also more transfers from our limited coastwise ships (which will put added load on the railroads) . . . U. S. merchant marine starts this war several times larger than in 1917, but somewhat smaller than in 1939, due to transfers to Britain . . . But that will soon be made up with new ships. . . . Don't overlook Africa in war calculations. Dakar is best and almost only good port between Port of Spain and Capetown. See an excellent article on this possible near-term theater of war in the current "Harper's". . . . This is an "air-conditioned war" say the air-conditioning people. Wide blast-furnaces, blackout factories, stratosphere bombers, etc. . . . What Churchill said of Libya (he quoted a captured German officer) seems true also of the Pacific war—"a paradise for the strategist, a nightmare for the quarter-master. . . ."

Mobile Gas Service Issues Are Offered

The First Boston Corporation heads an underwriting group which is today making public offering of $1,400,000 of Mobile Gas Service Corp. first mortgage bonds, 3¾% series, due 1961, and 6,000 shares of the corporation's 6% $100 par value cumulative preferred stock. The bonds are priced at 104.68 and accrued interest; the preferred stock at $92.50 per share and accrued dividends.

Outstanding capitalization of the company after the completion of the financing will comprise $1,400,000 of the new 3¾% bonds, 6,000 shares of $100 par cumulative preferred stock, and 5,000 shares of common stock.

Mobile Gas Service Corp. is an operating public utility distributing and selling natural gas in Mobile, Ala., and vicinity. In addition to sales made to residential and commercial customers, substantial volumes of gas are sold to various industries, including an aluminum ore reduction plant and a paper and pulp mill. The business of the company has undergone a substantial expansion during recent years as a result of the growth of population and increase in industrial activity in the Mobile area.

The underwriting group for the bonds and preferred stock, in addition to The First Boston Corporation, comprises The Robinson-Humphrey Co. (Atlanta); Granbery, Marache & Lord; Starkweather & Co.; Lamar, Kingston & LaBouisse (New Orleans); Ward, Sterne, Agee & Leach (Birmingham), and Shropshire & Co. (Mobile).

Mattikow In NYC

Lawrence Mattikow & Co., Inc., is now conducting a securities business from offices at 70 Wall Street, New York City.

National Banks

The following information is from the office of the Comptroller of the Currency, Treasury Department:

Common Capital Stock Increased, Dec. 1—The First National Bank of Memphis, Memphis, Tenn.:

From $1,200,000 to $1,500,000; amount of increase, $300,000.

Dec. 3—The City National Bank & Trust Co. of Kansas City, Kansas City, Mo.:

From $600,000 to $1,000,000; amount of increase, $400,000.

Dec. 4—The Calumet National Bank of Hammond, Hammond, Ind.:

From $250,000 to $300,000; amount of increase, $50,000.

Branches Authorized—Dec. 1—The Merchants National Bank of Boston, Boston, Mass.:

Location of branch: 513 Boylston St., Boston.

Dec. 3—Union Planters National Bank & Trust Company of Memphis, Memphis, Tenn.:

Location of branch: 1540 Thomas St., Memphis.

Oct. Lend-Lease Food Shipments Are Large

Delivery of agricultural commodities to the British Government, for shipment under the provisions of the Lend-Lease Act, reached a total of 550,000,000 pounds during October, the Department of Agriculture announced Dec. 8. October shipments were valued at about $30,000,000.

The Surplus Marketing Administration reported that the food and other agricultural commodities delivered to the British from the beginning of operations in April up to November 1 amounted to more than 2,200,000,000 pounds. Cost of the commodities, delivered at shipping points during this period, was just under $250,000,000. Roy F. Hendrickson, SMA Administrator, stated:

The steadily increasing flood of food to Britain reached a rate of $2,000,000 worth a day during October. This represented nearly 20,000,000 pounds of agricultural shipments daily.

Purchases are being made daily to provide for large continuing supplies of the American farm products which are so vitally needed across the water. We have agreed to furnish one-fourth of Britain's animal protein needs during the months ahead, as well as a number of other agricultural commodities. Rates of purchase and of shipment will be in line with these commitments.

Now T. U. Crumpton Co.

BIRMINGHAM, ALA. — The firm name of Roy Gridley & Co., First National Building, has been changed to T. U. Crumpton & Co. Partners of the new firm are T. U. Crumpton, President of the former organization; James I. Harrison, Jr., and Louis Schulhafer. Mr. Schulhafer was associated with Roy Gridley & Co. for many years.

The Securities Salesman's Corner

A DIRECT MAIL IDEA THAT HOLDS CUSTOMER GOOD WILL

The time that elapses between a securities salesman's visits to his clients is often the time when his competitors gain a foothold with these very same customers. Securing customers is difficult—that is why it is important to keep the good will of a customer after you have begun to do business with him.

One of the ways to make certain that your customer will continue to think of you when he thinks of his investments is for you to keep him posted in regard to the many factors which affect his holdings. The current newspapers, the financial papers, the published reports of company earnings—all contain a wealth of information that can be passed along to a salesman's prospects and clients.

For example, does he own oil stocks—then send him a notice of a pending change in crude prices. Will priorities affect a company in which he is interested—send him the clipping from the paper which tells about this. In this connection, we might add that any salesman can find a wealth of Corporation News in the Statistical sections of the Financial Chronicle, which appears regularly in the Tuesday and Saturday editions. These items are printed in an ideal size for the purpose of the following mailing plan.

Have your printer supply you with a card of pasteboard stock that will take mimeographing. This card should be the width of a letter head and one half of its length. Across the top of the card should be printed the name of the firm, its address, teletype or telephone number, and any other Exchange or Association memberships that are desired. The writer has made up these cards by using a reverse plate in solid blue, with the firm name and other data appearing in white. This blue edge along the top of the card which he uses is about one and three-eighths inches in width. The rest of the card can be used for the message that is to be sent.

In the event a short message is to be mailed to the prospect and customer list, this card then serves two purposes. It can be used for the purpose of a mimeographed message and it can also be used to paste the clippings of current information that the salesman wishes to send to his clients. All the salesman has to do each morning, is to look through his usual periodicals and newspapers. Have scissors handy, clip out notices of interest, apply some ordinary paper glue to those items you wish to mail and paste them to the cards. Take pen in hand and write the address of the client on the opposite side of the card. Turn over to the mail department and the job is done. If this routine becomes a habit every morning, the time involved will be negligible and the good will that is created is very valuable. This size card takes a one and one half cent stamp.

This card can be further personalized if there are a number of salesmen in the organization by having your printer insert (From the Desk of ....) in the upper right hand corner of the card. The salesman can use a facsimile stamp of his signature and each man can thereby place his name on the card—bringing even more closely to the attention of the recipient that the salesman was personally interested in placing this information before his client.

Show people that you are interested in them. Show them you are on the job and that you are watching out for their interests. Show them that you want to keep yourself before them—then they will keep you in mind when they think of their investments.

Sincere To Admit

CHICAGO, ILL.—Fatima R. Sincere has become a limited partner in the New York Stock Exchange house of Sincere & Co., 231 South La Salle Street.

THE BOND SELECTOR

THE OUTLOOK FOR BONDS

The severe jolt which the bond market suffered immediately after the Japanese attack and the war declaration was actually an intensification of a subtle trend which has been discernible over the past two months A sudden decline of first magnitude in high grade bonds is nothing new; the market was hit hard upon the outbreak of war in 1939 and again in 1940 when the Lowlands were invaded suddenly. In each case, recovery was fairly rapid and low yields went even lower. The question now arises whether the recent sell-off, preceded by the rising yields on short term Treasury issues over the past two months presages the long-predicted deterioration of high grade bond yields.

Up to the time of the Japanese attack, the rising yields on short term Treasuries spreading over a period of about ten weeks were reminiscent of the action of similar issues in the latter part of 1936 and the early part of 1937. At that time, it will be recalled, the lead taken by short term Treasuries was followed by long terms, first slowly, then precipitously, through February, March and April, 1937, until a slow steady recovery brought yields to new lows in the summer of 1939. Even if the events of Dec. 7th had not taken place, the pattern of the bond market at the beginning of the month was sufficiently similar to that of 1936-1937 to warrant expectation of a lower price level in the early months of 1942.

Despite the rapid sell off in the week of Dec. 8th, and despite the fact that the nation is actually at war, basic money market conditions and the future outlook therefor are not very dissimilar from those of two weeks ago or a month ago. An interesting analysis of the pre-war situation was presented in the "Bond Bulletin" of Homer & Co., dated Dec. 1st. After discussing the similarity in the technical position of the bond market of November, 1941 and November, 1936, the "Bulletin" reviews the factors pointing toward lower bond prices and those indicating maintenance of high prices.

The four arguments presented by Homer & Co. *for* lower bond prices follow:

(1) Excess reserves have been heavily reduced, both by natural factors and by government action. The factors which tended to increase excess reserves for many years, principally the importation of gold, have ceased to operate. The factors which tend to reduce excess reserves, namely, increased private and government borrowing, have been growing and promise to continue to grow. Excess reserves in the New York market have been reduced to a small amount and a further contraction is possible. Thus the point may presently be reached when first New York banks and subsequently out-of-town banks will become sellers of government bonds rather than buyers.

(2) Long term bond prices are at their all-time highs and at a level totally without precedent. There is every prospect that the government rearmament program will be doubled and redoubled and will constitute a drain on every available source of funds. Thus a heavily increased demand for money is in prospect coincidentally with a gradually diminishing supply. These two factors naturally make for a declining bond market.

(3) The influence of a rise in the cost of living, and the prospect that this rise will gather momentum, tend to make bonds less attractive because their purchasing power is limited.

(4) There is every prospect that the United States will become more and more involved in this war, perhaps as an avowed belligerent, and there is a possibility that during the next six months severe military reverses will continue to befall the Allied cause. A sudden war in the Pacific might become a reality presently. All of such developments would, a very few years ago, have been considered a sure cause for a sweeping decline in bond prices. During the past two years bond prices have learned to stand up against such developments in extraordinary fashion, but it may be that they are not yet altogether immune.

The four arguments presented by Homer & Co. *against* lower bond prices follow:

(1) The supply and demand position of money still is weighted heavily in favor of firm bond prices. In addition to reported excess reserves, which remain enormous, there are hidden reserves of funds which, if added up, reach unprecedented proportions. Statisticians have computed the astonishing fact that the surplus of gold in this country is now such that the Federal Government, together with the Federal Reserve Banks and other Federal authorities, could now buy in all outstanding government bonds themselves if they were disposed to do so. The large amount of currency in circulation constitutes, in part, a potential addition to banking reserves or bond buying power. A large part of this currency could be recalled to the banking system, if it were necessary to do so, either through the payment of interest for it or by more direct methods. The relatively small amount of excess reserves in the New York market, which is tending to create higher short-term rates at the moment, is largely an artificial situation created by acts of the Federal authorities which they could rectify at any time they wished by any one of a number of devices, and which may rectify at any time they wished by any one of a number of devices, and which may rectify itself.

(2) Thus it would seem that any tendency of short-term rates to tighten is entirely due to the actions of Federal monetary authorities, who have it in their power to reverse these actions at will. It is naturally a matter of conjecture whether monetary authorities really plan a lower bond market, but many observers doubt that the government will intentionally impede its financing program by creating a declining bond market and at the same time increase the cost of carrying not only its future deficits, but also a large part of its old deficit.

(3) There is substantial opinion that private demand for bank loans and other funds will diminish in 1942 rather than increase. Concurrently with new borrowing for defense projects, there has been and will continue to be a continued repayment of old loans which were frozen during the depression years and which are now becoming liquid due to business activity. The continued heavily pessimistic attitude of businessmen throughout the nation is and will dispose them to pay off debts whenever they can and not to incur new debts unless it be for very short periods, with their ability to pay triply assured. Furthermore, the large tax program and the heavy depreciation allowance on armament plants permits a building up of cash in corporation hands at an unprecedented rate. Corporations' reserves for future taxation and reserves for depreciation are reaching new high amounts and in the future may be largely sufficient to finance seasonal demands for funds. A large part of the initial borrowing of the defense program to build plants and to acquire machinery will be presently liquidatable out of the proceeds of new manufacture which is just getting under way. Thus, the private demand for money may diminish rather than increase and this may, in part, offset the prospective increase in the government's demand for money.

(4) Broadly speaking, high grade bond prices are at or near all-time highs in virtually all countries of the world, belligerent or neutral. This is true in many countries in the face of military catastrophes, economic catastrophes, enormous credit expansion, and the draining off of gold reserves. It is apparently a world-wide condition based on two universal factors: (a) government monetary management and (b) the psychology of fear among business executives the world over.

Holders of cash capital have no impulse today to tie that capital up in fixed plant and structure in the hope of making a large return over a long period of years. In the first place, they cannot look forward more than a few months into the future, and in the second place, they are of the opinion that they will not make a large return, and if they do, taxation will take it away from them. The general disposition is to be on somebody's else payroll, to make as good a current living as possible, and to conserve surplus wealth in liquid form against a rainy day. This psychological state of fear may in fact be the key explanation of our bull bond market of the last ten years.

Further discussion of factors affecting the course of the bond market, in view of our current all-out war effort, will be presented in next week's Bond Selector.

Commodity Corp. Stock Distributor

(Continued from page 1539)

having a reasonable percentage of his capital invested directly in the very commodities, the price increase of which is one of the important factors to—the higher cost of living.

"Wars consume tremendous quantities of basic commodities. In times of major war, the cost of living and commodity prices have always risen. There has been no exception to this rule.

"The present war has assumed world-wide proportions. Currently, as in the World War, demand for commodities has increased and is increasing. Large demand consumes surpluses and causes shortages; shortages cause prices to soar. So great is the stimulus to the demand that the normal regulation of price by the laws of supply and demand must, in order to prevent run-away inflation, be supplemented by Government regulation and control.

"Our Government has already taken steps to prevent a run-away price rise. How much further our Government will go will depend upon its conclusions after having given proper weight to such matters as the following:

"1. A free market in commodities acting in itself as a regulator of prices;

"2. The effect of restriction and control of a free market upon the fundamental economies of a democracy;

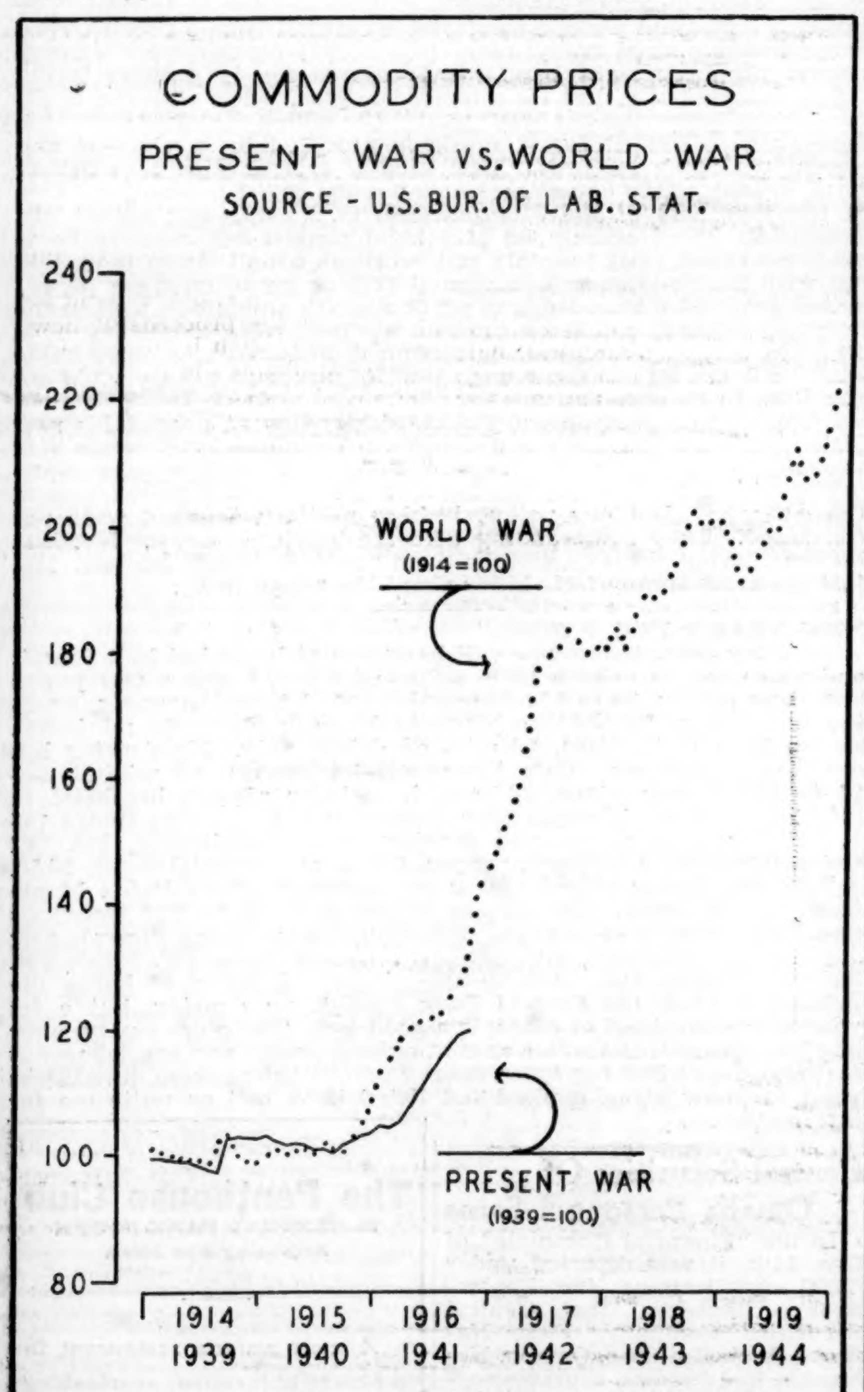
"3. The effect of commodity price control in this country on prices in world-wide markets in which its citizens are interested but over which it has no control.

"What the result will be it is impossible to foretell. It is, however, a fundamental problem of all investors. If the decision is to invest a portion of funds in commodities, the capital stock of Commodity Corporation offers an ideal medium.

"Commodity Corporation was formed in October, 1935, to buy, sell, hold, option and deal in basic commodities but not to buy on margin. Many farsighted investors wishing to take advantage of this convenient refuge against inflation have become shareholders. We believe that now, it may be timely to bring this medium of protection against the declining purchasing power of the dollar to the attention of investors generally, throughout the country.

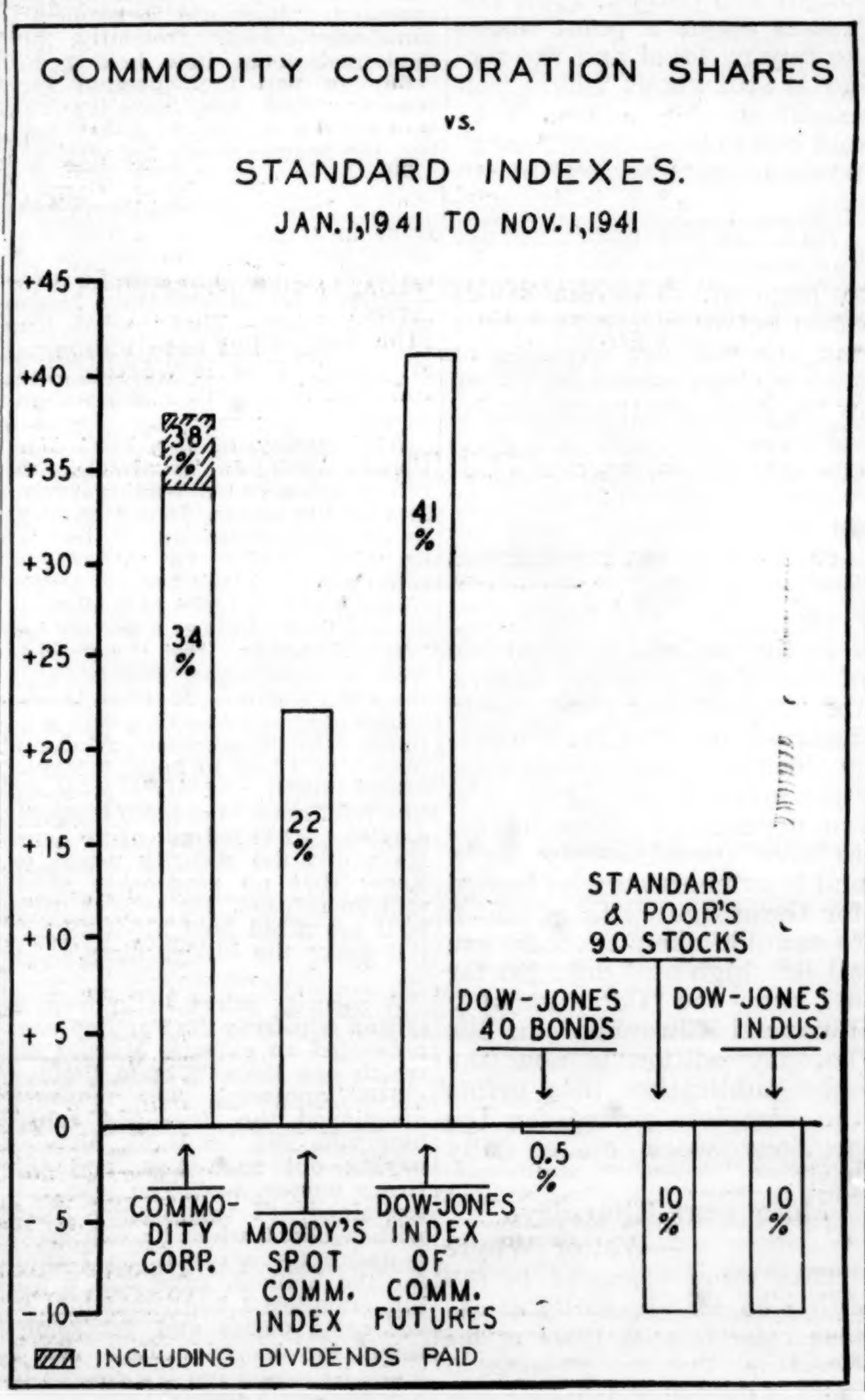
"The operating personnel of Commodity Corporation remains unchanged and Commodity Managers, Inc., of Boston, continues as managers of the assets which as of a recent date consisted of such commodities as butter, cocoa, coffee, cloves, cotton, hides, oats, pepper, rye, silk, sugar, tin, wheat, wool and wool tops.

"By observing the chartered movements of commodity prices during the last World War, and so far in the present war, it is interesting to note that the upward spiral of prices has only just begun to gather momentum in recent months.



"With respect to price movement, it is interesting to note that from Jan. 1, 1941, to Nov. 1, 1941, the indexes of Standard and Poor's 90 stocks and Dow-Jones Industrial Average of 30 stocks, both declined 10% and the index of Dow-Jones 40 Bonds declined ½%. During the same period the liquidating value of the Capital Stock of Commodity Corporation advanced 34%. From Dec. 1 to Dec. 9, 1941, the liquidating value of a share of Commodity Corporation advanced 2.31% and during the same period the Dow-Jones Industrial Average of 30 stocks declined 3.80%.

"National Securities & Research Corporation, through their nation-wide wholesale representation, will furnish dealers with necessary data regarding this unusual offering. It is believed that dealers will find many of their clients interested in this convenient method of participating in the direct ownership of a diversified group of carefully selected commodities."



Announces Nominees

The Nominating Committee of the New York Stock Exchange for 1941 has presented the following nominations for members of the January 1942 Nominating Committee:

Three members of the Exchange: Austin Brown, Dean Witter & Co.; Charles S. Hirsch, Jr., Hirsch, Lilienthal & Co.; and Walter W. Stokes, Jr., Stokes, Hoyt & Co.

Two allied members of the Exchange: Newcombe C. Baker, Laird, Bissell & Meeds; and Holstein De Haven Fox, A. C. Wood, Jr. & Co., Philadelphia.

The election of members of the January 1942 Nominating Committee will be held on the Floor of the Exchange on Jan. 12, 1942. If a member wishes to exercise the privilege of voting by means of an absentee ballot, he should make written request for such ballot of the Secretary of the Exchange. Absentee ballots will be sent promptly after Dec. 30, 1941, when the period for filing of nominations expires, to members making such requests.

H. Sharpe Becomes Pres. Of Bond Club of Buffalo

BUFFALO, N. Y.—The Bond Club of Buffalo announces that Harry Sharpe, Blair & Co., Inc., has become President of the organization, succeeding Harvey Gaylord, J. C. Dann & Co., who is retiring from the investment banking field. Frank C. Trubee, Jr., Trubee, Collins & Co., has been appointed to complete Mr. Gaylord's term as a Director.

Twin City Bond Traders Announce January Gala

MINNEAPOLIS, MINN.—The Entertainment Committee of the Twin City Bond Traders Club announces a "Smorgasbord Commotion" for Jan. 15, 1942, at the Dyckman Hotel in Minneapolis. The Committee, consisting of Art Rand, Woodard-Elwood & Company; Don Anderson, First National Bank of St. Paul, and Maynard Rue, Wells-Dickey Company, extend a cordial invitation to out-of-town members of the security business fraternity.

Support Of Government Bond Market Withdrawn

Secretary of the Treasury Morgenthau announced at his press conference on Dec. 15 that the Treasury and Federal Reserve Bank of New York ended their support of the Government bond market on Dec. 11. The Secretary said it had been found necessary to purchase a "goodly amount" of bonds for investment accounts for supporting operations. The buying started on Dec. 9, two days after the Japanese attack on the United States, and was ended on Dec. 11.

Obituary

Herbert W. Noble, dean of Detroit investment brokers, died on Dec. 8 at Miami, Fla., at the age of 74. Mr. Noble organized the first investment banking firm in Detroit, H. W. Noble & Co., which for more than 40 years until his recent retirement was one of the leading brokerage firms in Michigan. At one time he was a member of the New York Stock Exchange. Mr. Noble was also a founder of the Detroit Stock Exchange.

Miss. Group Of IBA Announce Christmas Party

ST. LOUIS, MO.—The annual Christmas party of the Mississippi Valley Group of the Investment Bankers Association will be held at the Missouri Athletic Club on Monday, Dec. 22, 1941. A buffet luncheon will be served and will be followed by the allotment of attendance prizes and favors.

Tomorrow's Markets Walter Whyte Says—

(Continued from page 1541)

So far I have given you the down-side of the stock market picture. There is another side—the up-side.

* * *

Right now most stocks as measured by averages are hugging the half-way recovery mark. If they stay there a few more days and then begin to show signs of wanting to go through them (volume on the up-ticks), you can assume that no near-term reaction is expected.

* * *

Weighing both sides of the market I, however, feel that we are in the former rather than in the latter stage. This means that any prospective purchases may well be postponed until the reaction has developed.

* * *

Last week I pointed out that readers, having been stopped out of all but two stocks, had little to cheer about. I have since then gone over the list and find that instead of losses all down the line there was at least one profit that made up for the losses when the stops were caught. The losses were as follows: Bendix 3 points; U. S. Steel 3 points, and Wheeling Steel 2 points. The total gross losses came, therefore, to 8 points. Against these you took a profit in N. Y. Shipbuilding of 11 points (bought at 15, sold when stopped out at 26). So that the net result is approximately 3 points profit on all closed trades. The column is still long of two stocks: Gulf, Mobile & Ohio preferred bought at 20 (stop at 17) and Warner Bros. bought at 5 (stop at 3¾). The first is about a point above the buying level and the second is still about where you bought it. My advice is to hold but to keep their "stops" in mind.

* * *

As far as new purchases are concerned, I'm afraid I'll have to beg off. The market is again between hay and grass and to anticipate anything at such a stage would be flying in the face of all experience. I'll have to see how the market acts when, as and if, it penetrates current highs or reaches last week's lows before I can again recommend new purchases.

* * *

In the week just passed two of New York's leading papers, the "Times" and the "Herald Tribune" omitted their weekly stock and bond tabulations. Investors and speculators who had depended on these figures to give them weekly highs and lows, chartists who looked for these figures from which to compile their records, are all left high and dry. So far is I know the "Commercial & Financial Chronicle" in it's Tuesday edition is now the only publication that prints the complete prices for the previous week on a daily basis.

More next Thursday.

—Walter Whyte

[The views expressed in this article do not necessarily at any time coincide with those of the Chronicle. They are presented as those of the author only.]

WHISPERINGS

Joe Masek of Charles A. Fuller Company in Minneapolis is that way about music. He will go out of his way to listen to anything he thinks or hopes will turn out to be good, so long as it's music. One night he and a friend went to hear an instrumental trio, and his friend observed that one of the trio looked very much like Joe. Joe didn't think much of the resemblance but apparently the janitor of the hall, in which the concert was given, did. For on leaving the place the gentleman in charge of I gotta-clean-up-now approached Joe (thinking he was one of the trio) and asked for his autograph. Deciding to have a little fun Joe asked the man what his (the janitor's—not Joe's) name was. "The name is Herman Goering," explained the man. "Herman Goering? Herman Goering? Seems I heard that name before," ribbed Joe. "I wouldn't be surprised," replied the janitor placidly. "I be.. working here for years."

If you make a fortune in securities then, according to your neighbors (not the jealous ones), you've done it by wise investment or judicious speculation. If you lose one, it's because you've been gambling.

W. Perry McPherson of Walker, Austin & Waggoner, Dallas, Texas, collects match books, or rather his son does. All of which reminds us of the time we pulled out a pack of Chesterfields (adv.) and a book of matches and started to light up when the little woman grabbed the matches and began questioning us closely as to where we were and how we got the matches. We patiently explained that we got the matches when we bought the cigarettes. She refused to be mollified. The matches, she pointed out with female logic, came from "Ye Dew Droppe Inn—Dining, Dancing and High Class Entertainment—Berlin, N. Y.," and the only way we could have gotten them was to be there. The fact that we were never in the town or even heard of the Dew Droppe Inn was disregarded as just another of our tricks. The point of the whole story is if you don't want to face involved cross examinations better send the match books (empty) to **W. Perry McPherson in Dallas, Texas,** and let him take the rap.

A trader was sitting at the trading table all wrapped up in what from his face looked like rose colored dreams. It developed that he had proposed marriage to his fiancee the night before and wonder of wonders had been accepted. "How did it happen," somebody asked. Dreamily, he explained about how he'd been ready to pop the question for weeks. "Well, why didn't you," broke in a cynic. "I'll bet she had the answer ready for weeks."

" . . . Investors should now feel freer to respond to the need for some increase in income as an offset to advances in living costs." **—From a recent brokerage house market letter.**—That's what the little woman has been telling us all along. Now if we can only convince the boss!

Al Plumley of the First National Bank & Trust Co., of Minneapolis has a trading problem on his hands. It has nothing to do with securities. It has to do with rabbits. Or rather one rabbit—a big black one. It seems that Al, in a moment of weakness, bought this rabbit as a pet for his young hopefuls. But the youngsters are no longer interested in the lettuce eater. Meanwhile the rabbit has grown like the national debt. Three times, Al Complains, he's had to build a larger rabbit hutch and now it looks like he'll have to enlarge it again. Anyway, Al is fed up; up to here. He wants the security world to know that no reasonable offer will be refused. He assures us if he'll get a bid he'll hit it so fast it'll make the bidder dizzy.

A security salesman in from a selling trip from the Pacific Coast presented an expense account on which one item, "Tip to bellboy —$10" appeared. The manager questioned the item and asked him who did he think he was paying out such tips, and the firm's money, too! The salesman explained: "I was in my room with a client when he expressed a desire for a cigar. So I rang for the bellhop, gave him a $10 bill (smallest I had), told him to get some cigars and get something for himself. How did I know he would use the change to buy himself a watch?"

UP-TOWN AFTER 3

NEW MOVIES

"H. M. Pulham, Esq." (MGM). Hedy Lamarr, Robert Young, Ruth Hussey, Charles Coburn and others. Directed by King Vidor. Opening today in New York at Radio City Music Hall.

Every once in a while a really fine picture comes out of Hollywood and "H. M. Pulham, Esq." is one of them. Adapted to the screen from J. P. Marquand's best seller the result is even better than the book. In a nutshell the story is about a Boston Brahmin whose orderly life is upset by the first World War. After the war, restless and uncertain, he goes to work in a New York advertising agency instead of returning to Boston. Here he meets a girl and falls in love with her but the death of his father forces him to return home and take over the job of head of the house. The whole thing is done in a series of flashbacks when the now middle aged Bostonian, married to a girl of his own class, is asked to write a history for his college year book. It's a story done with pathetic undertones that will keep you on the edge of your seat. It's a story of my generation; a generation barely old enough to fight in the last war but too old to fight in this one. It pictures life in the roaring twenties, the speakeasies and the hail-fellow-well-met spirit of college days, and college reunions. The abandon of old love affairs that for some reason never ripened and the tunes nostalgically reminiscent of the dear dead days and what might have been. Hedy Lamarr as the young advertising woman is no longer the glamorous creature. In this picture she is a consummate actress. She turns in the best job since she became a publicized figure. Robert Young as the young man whom life passed by gives a marvelous performance. Ruth Hussey as his wife is appealingly pretty as his placid matter of fact spouse whose only interests are bridge, small committees and women's clubs. In fact there isn't a member in the cast who isn't just right and who doesn't do a grand job.

Montparnasse Cafe (3 E. 52nd) used to be in the 70's but recently moved here and has since been taken over by that Greek-god-about-town, James McKinley Bryant, who in his spare moments puts out the cafe society bible, "the Cafe Society Register." To celebrate the occasion Jimmy even put up a new canopy, a candy striped affair, on which his name is emblazoned for all to read. The inside is a pleasant place, a comfortable cocktail lounge (Scotch 75c.) and a medium sized dining room (dinner $2) done in what Johnny Garvis (Jimmy's right hand man) assures me is genuine Batik. Genuine or not it makes for a handsome place what with the semi-oval banquettes against the walls on which to lounge. No dancing here but titillating music is provided by a violinist and pianist who play requests. This usually arouses diners to bellow forth in song at the oddest moments but the effect is amusing. One of the highspots of the Montparnasse is a gentleman called Mr. Rodriguez. Theoretically he is a hand analyst but actually he is more than that. For not only can he speak a half dozen languages but with his newspaper background (editor for a Javanese paper) he has acquired a knowledge of psychology that puts him well in the forefront of the so called see-ers-into-the-future. He insists that he is no palm reader, astrologist, or fortune teller. Well, I don't know what he is but he can come uncomfortably close to the truth. When you drop in be sure and ask for him.

The day the erstwhile boniface Jimmy Bryant opened his new bistro was also the day on which New York had its first air raid warning. Jimmy promptly jumped to the conclusion that the Montparnasse was a military objective and had sandbags placed around the entrance. But our police, lacking military acumen, were not convinced. They made Jimmy take the barricade down. Not that he actually put them up or took them down; he sleeps too late. But just the same Jimmy feels bitter about the whole thing.

NEW YEAR'S EVE PRICES

I don't know if the war will keep you at home but if it doesn't and you want to raise a little polite whoopee, here's a few places and their prices: **$3 to $5—Ricciardi's (132 W. 43rd),** supper, dancing and favors, $4.—**Waldorf-Astoria Peacock Cafes,** $3 minimum. **Ruban Bleu (4 E. 56th),** $5 min. on drinks only. No dancing but swell entertainment. **Cafe Pierre (Hotel Pierre),** $5 minimum.—**$6 to $10—Savoy Plaza,** $8.50 each includes supper, breakfast in kitchen, dancing. **Montparnasse** (see above), $10. **Coq Rouge (65 E. 56th),** supper, favors and dancing and entertainment, $10. **El Chico** (Greenwich Village), supper, favors and entertainment, $6.50. Among the higher priced places the outstanding are **Fefe's Monte Carlo (49 E. 54th),** $20; supper, favors, dancing to Ted Straeter's and Bob Knight's orchestras. **Cotillion Room (Hotel Pierre),** $15; supper, entertainment, etc., dancing. **Casino Russe (W. 57th),** $20. **Rainbow Room, $15.** Among the places holding open house the **Penthouse Club (30 Central Park South),** no dancing, but a let your hair down kind of place, is a good bet. There are any number of other places that feature special entertainment and special menus for New Year's Eve but space doesn't permit listing them all. If you want to know about a place not listed here, call or write me for information.

Central Securities Of Omaha Personnel Same

In the "Financial Chronicle" of Dec. 11th, it was reported under "SEC Applications for Dealer-Broker Registry," that Central Securities Company, First National Bank Building, Omaha, Nebraska, had become a proprietorship of Lyman G. Cross, and that Harold H. Helme and Lee A. Huey, formerly officers of the firm, had withdrawn. We are informed by The Central Securities Company that the former corporation has been dissolved and is operating as a sole proprietorship, but that there has been no change in the personnel or nature of the business.

Calendar of New Security Flotations

OFFERINGS

ABBOTT LABORATORIES

Abbott Laboratories registered with SEC 30,000 shares 4% cumulative preferred stock, $100 par

Address—14th St. & Sheridan Rd., North Chicago, Ill.

Business—Engaged in business of manufacturing fine pharmaceutical preparations, important medicinal chemicals and biologies, and widely used vitamin products

Underwriting—Underwriters, and number of shares which each has agreed to purchase, are: A. G. Becker & Co., Inc., 15,000; F. S. Mosely & Co., 7,500; Shields & Co., 7,500 (all of Chicago). Underwriting commission is set at $2.75 per share

Offering—Public offering price will be supplied by amendment

Proceeds will be used as follows: $1,382,654 to redemption, at $107 per share, of all outstanding 4½% convertible preferred stock; $400,000 to replace working capital heretofore or hereafter expended by company in connection with construction activities at company's plant; and balance for working capital

Registration Statement No. 2-4899. Form A2. (11-28-41)

Effective 4:45 p. m., E.S.T. on Dec. 8, 1941

Offered Dec. 11, 1941, at $104 per share

GENERAL SHOE CORPORATION

General Shoe Corporation has filed a registration statement with the SEC for $2,500,000 of 15-year 3¼% sinking fund debentures, due Dec. 1, 1956

Address—513 Gallatin Ave., Nashville, Tenn.

Business — Manufactures and sells a range of low-priced and medium-priced men's and boys' shoes, including work shoes; boots; children's shoes; and growing girls' and women's shoes. Principal advertised trade names are Jarman, Fortune, Skyrider, Betty Barrett and Friendly

Underwriting—Smith, Barney & Co., New York, is named principal underwriters; others will be named by amendment

Offering—The debentures will be offered to the public, at a price to be supplied by amendment

Proceeds will be added to company's general funds

Registration Statement No. 2-4900. Form A2. (11-29-41)

Offered Dec. 15, 1941, at 99 and interest

THE MARYLAND DRYDOCK CO.

The Maryland Drydock Co. has filed registration statement with SEC for 112,740 shares of common stock, $1 par value

Address—Fairfield, Baltimore, Md.

Business—Engaged in a general line of ship repair, reconditioning and conversion work on ocean-going vessels, including freighters, passenger ships, tankers, colliers, dredges, lighthouse tenders, Coast Guard cutters, mine layers, troop ships and Navy destroyers, and also bay and river craft of most types

Underwriters—Shields & Co., Blyth & Co., Inc., Hornblower & Weeks, Lee Higginson Corp. and White Weld & Co.

Offered Dec. 17 at $19.75 per share

Offering and Proceeds—The 112,740 shares of common stock are already outstanding and are owned by Koppers Co., which will receive all of the proceeds from the sale thereof. Upon consummation of the sale of these shares, Koppers Co. will not own any shares of common stock of company. The public offering price will be supplied by amendment to registration statement

Registration Statement No. 2-4897. Form S2. (11-26-41)

MERCK & CO., INC.

Merck & Co., Inc., registered with SEC 53,690 shares 4½% cumulative preferred stock, $100 par, and 30,000 shares common stock, $1 par

Address—Rahway, N. J.

Business—Manufactures and sells chemicals for medicinal, household and industrial purposes

Underwriting—Names of underwriters, and number of shares of preferred and common stock each has agreed to purchase, are as follows:

	No. Shares Pfd.	Com.
Goldman, Sachs & Co., N. Y.	11,595	6,480
Lehman Bros., New York	11,595	6,480
Baker, Weeks & Harden, N.Y.	1,500	838
Bodell & Co., Inc., Providence	1,500	838
Bristol & Willett, New York	1,000	560
Dillon, Read & Co., N. Y.	5,000	2,794
Drexel & Co., Philadelphia	2,500	1,396
First Boston Corp., New York	3,500	1,956
Harriman Ripley & Co., Inc. New York	3,500	1,956
Hemphill, Noyes & Co., N. Y.	2,000	1,118
Kidder, Peabody & Co., N. Y.	2,500	1,396
Laird, Bissell & Meeds, Wilmington, Del.	2,500	1,396
Merrill Lynch, Pierce, Fenner & Beane, New York	2,500	1,396
Union Securities Corp., N. Y.	2,500	1,396

Offering—The preferred and common stock will be offered to the public, at prices to be supplied by amendment to registration statement

Proceeds to company from sale of the 53,690 shares preferred stock, will be applied to payment of a $3,000,000 1¾% serial bank loan; balance will be added to company's general funds

Registration Statement No. 2-4902. Form A2. (12-1-41)

Effective 4:45 p. m., E.S.T., on Dec. 8, 1941

Offered—53,690 shares of preferred stock offered Dec. 9 at $105 per share. 30,000 shares of common stock offered Dec. 17 at $30 per share.

MIDWEST TOOL & MANUFACTURING CO.

Midwest Tool & Manufacturing Co. registered with SEC 50,000 shares common stock, $1 par.

Address—Detroit, Mich.

Business—Manufacturer of precision cutting tools, etc.

Underwriter—Keane & Co.

Offering—The 50,000 shares will be offered to the public at $2 per share. Of the shares registered, 27,125 shares are to be offered for the account of the company, and the remaining 22,875 shares (already issued and outstanding) will be offered for the account of two selling stockholders.

Proceeds to company from sale of the 27,125 shares will be used for payment of outstanding bank loans, final installment on sales contract, and the balance for working capital.

Registration Statement No. 2-4886. Form S-2 (New form) (11-13-41 Cleveland).

Amendment filed Nov. 28, 1941, to defer effective date

Effective 4:45 p. m., E.S.T., on Dec. 5, 1941

Offered Dec. 5, 1941, at $2 per share

MOBILE GAS SERVICE CORP.

Mobile Gas Service Corp. registered with SEC $1,400,000 first mortgage bonds, due Dec. 1, 1961 (interest rate to be supplied by amendment), and 6,000 shares 6% cumulative preferred stock, $100 par.

Address—162 St. Francis St., Mobile, Ala.

Business—An operating utility subsidiary of Consolidated Electric & Gas Co., company furnishes natural gas service at retail in Mobile, Ala., and vicinity.

Underwriting and Offering—The bonds and the preferred stock will be sold by company under the competitive bidding Rule U-50 of the SEC's Holding Company Act, as soon as practicable after the registration statement shall have become effective. Names of the underwriters and public offering prices will be supplied by amendment.

Proceeds will be applied as follows: To the redemption, at 100 and accrued interest, of the outstanding $876,700 of first mortgage 5% bonds of 1956, the outstanding $637,750 of first mortgage income bonds series A (9%) of 1956, and the outstanding $236,950 of first mortgage income bonds series B (7%) of 1956; balance of $75,000 will be used to establish a construction fund to provide for acquisition or construction of additional property.

Registration Statement No. 2-4887. Form A-2 (11-15-41).

Effective 3:30 p. m. E.S.T. on Dec. 2, 1941

Awarded Dec. 16 to group headed by The First Boston Corp.

Offered Dec. 18, 1941, the bonds at 104.68 and the preferred stock at $92½ per share

NEW ENGLAND TELEPHONE & TELEGRAPH CO.

New England Telephone & Telegraph Co. registered with the SEC 222,243 shares of common stock, $100 par value

Address—50 Oliver St., Boston, Mass.

Business—This subsidiary of the American Telephone & Telegraph Co. is engaged in the telephone business in Maine, New Hampshire, Vermont, Massachusetts and Rhode Island

Underwriting and Offering—The 222,243 shares of common stock are to be offered pro rata by company for subscription at $100 per share, to its common stockholders of record Dec. 19, 1941, in the ratio of one share for each 6 shares then held. Subscription rights evidenced by warrants to be issued to such stockholders, will expire on Jan. 15, 1942. The company may sell, at not less than $100 per share, such portion of the 222,243 shares as may not be purchased through the exercise of subscription rights, and in such event company will file an amendment to the registration statement stating the proposed number and offering price of such shares, the manner of sale and all other matters required to be stated in connection with such sale. The offering of the 222,243 shares is not underwritten

Proceeds will partly reimburse company's treasury for uncapitalized expenditures to its telephone plant; a portion of such treasury funds will be used to repay the parent AT&T for advances of approximately $13,500,000; and the remainder of the proceeds will be used for general corporate purposes

Registration Statement No. 2-4896. Form A2. (11-26-41)

Effective—4:45 p. m., E.S.T., on Dec. 10, 1941

Offered Dec. 12, 1941

PACIFIC TELEPHONE & TELEGRAPH CO.

Pacific Telephone & Telegraph Co. registered with the SEC 656,250 shares of common stock, $100 par value.

Address—140 New Montgomery St., San Francisco, Calif.

Business—Company and its subsidiaries provide telephone service in about 650 exchanges in California, Nevada, Oregon, Washington and northern Idaho, including San Francisco, Oakland, Berkeley, Sacramento, Portland, Seattle, Spokane, Tacoma, Los Angeles, San Diego and Pasadena. Company is controlled by American Telephone & Telegraph Co.

Underwriters—No underwriters named in registration statement.

Offering—The 656,250 shares common stock will first be offered by company to its stockholders of record Dec. 1, 1941, through warrants at a price of $100 per share. The warrants will expire on Dec. 31, 1941. The unsubscribed portion of such shares will later be offered to the public, at not less than $100 per share. Further details as to the offering will be supplied by amendment.

Proceeds will be used to repay advances from the parent company, and any excess is to be used for plant extensions, additions and improvements, and for working capital.

Registration Statement No. 2-4879. Form A2. (11-6-41-San Francisco)

Offered to holders of preferred and common stock at $100 per share

VULTEE AIRCRAFT, INC.

Vultee Aircraft, Inc., filed registration statement with SEC for 260,000 shares $1.25 cumulative convertible preferred stock, no par; and 650,000 shares $1 par value common stock, latter reserved for later issuance upon exercise of conversion privilege of the preferred stock

Address—Vultee Field, Downey, Calif.

Business—Engaged in development, design, construction, manufacture and sale of aircraft, and sale of aircraft accessories manufactured by outside interests

Underwriting — Blyth & Co., Inc., and Emanuel & Co., both of New York City, are named principal underwriters; names of other underwriters will be supplied by amendment

Offering—The preferred stock will be offered to the public, at a price to be supplied by amendment to registration statement

Proceeds from sale of the preferred stock will be applied to the purchase, on or before Dec. 26, 1941, of 440,000 shares common stock of Consolidated Aircraft Corp. from Major R. H. Fleet, members of his immediate family and others for whom he is agent, at a total price of $10,945,000. Of such purchase price, $1,665,000 will be paid with a 3% note of company in that amount due June 30, 1942. Provision is made that the company may discharge the note at its election either by payment of principal amount thereof in cash, or issuance of 225,000 shares of its common stock to Major Fleet or on his order. The balance of the cash required will be obtained from sale of 150,000 shares of company's common stock to Aviation Corp. at $10 per share, from the company's general funds, and from additional bank loans or deferment of current liabilities

Registration Statement No. 2-4906. Form A1 (12-2-41 San Francisco)

Offered Dec. 16, 1917, at $25 per share and dividend

Following is a list of issues whose registration statements were filed less than twenty days ago. These issues are grouped according to the dates on which the registration statements will in normal course become effective, that is twenty days after filing except in the case of the securities of certain foreign public authorities which normally become effective in seven days.

These dates, unless otherwise specified, are as of 4:30 P.M. Eastern Standard Time as per rule 930(b).

Offerings will rarely be made before the day following.

SATURDAY, DEC. 20

TIME FINANCE CO.

Time Finance Co. registered with SEC $400,000 10-year 5% sinking fund debentures, due Dec. 1, 1951, and option warrants for 20,000 shares common stock, $1 par value

Address—Louisville, Ky.

Business—Engaged in the "small loan" personal loan business in Kentucky and Minnesota

Underwriting—Underwriters of the debentures are Piper, Jaffray & Hopwood, Minneapolis, and Bankers Bond Co., Louisville, Ky. Underwriting commission is 6%

Offering—The debentures will be offered to the public at 100. Purchasers of each $1,000 debenture will receive an option warrant entitling holders to purchase 50 shares of common stock on or prior to Dec. 1, 1943, at $2.75 per share; purchasers of each $500 debenture will receive option warrants entitling holders to purchase 25 shares of common stock on or before Dec. 1, 1943, at $2.75 per share

Proceeds will be added to working capital

Registration Statement No. 2-4901. Form A2. (12-1-41)

R. L. SWAIN TOBACCO CO., INC.

R. L. Swain Tobacco Co., Inc., has filed registration statement with SEC for 1,000 shares 6% non-cumulative preferred stock, $100 par; 3,500 shares class A voting common stock, $1 par; and 50,000 shares of class B non-voting common stock, $1 par

Address—108 Market St., Danville, Va..

Business—Manufacture and sale of Pinehurst cigarettes and other brands and smoking tobaccos treated with the company's patented Panax Process

Underwriting—None. Securities will be sold by officers and licensed salesmen of company, and by John W. Yeaman, of Martinsville, Va. Commission to selling agents is $12.75 per share of preferred and 75 cents per share for the class A and B common stock

Offering—The securities will be offered to public at following prices: $85 per share for the preferred stock, and $5 per share each for the class A and class B common stocks. The preferred and class B common may also be sold in units of one share of preferred and 3 shares of class B stock at $100 per unit

Proceeds will be used to purchase a manufacturing plant, equipment, advertising campaign expenses, and for working capital

Registration Statement No. 2-4903. Form A1. (12-1-41)

SUNDAY, DEC. 21

KEARNEY & TRECKER CORP.

Kearney & Trecker Corp. filed registration statement with SEC for 198,083 shares common stock, $3 par value

Address—6784 W. National Ave., West Allis, Wis.

Business—Manufactures and sells milling machines, which are machine tools widely used in industry for the facing, removal and shaping of metal through the application of a multiple toothed rotating cutting tool to a work piece secured to a moveable table

Underwriters—Blyth & Co., Inc., New York, and The Wisconsin Co., Milwaukee, Wis., are named principal underwriters, others will be named by amendment. Underwriting commission will be $3.50 per share

Offering—The shares registered are already outstanding and are to be sold to the public for the account of certain selling stockholders; public offering price will be supplied by amendment. Proposed maximum offering price, based on the SEC filing fee, is $30 per share

Proceeds will be received by the selling stockholders

Registration Statement No. 2-4904. Form S2. (12-2-41)

PITTSBURGH STEEL CO.

Pittsburgh Steel Co. has filed a registration statement with the SEC for $2,000,000 of first mortgage series B 4½% bonds, due Dec. 1, 1950

Address—1600 Grant Building, Pittsburgh, Pa.

Business—Engaged primarily in manufacture and sale of semi-finished steel products, wire products and tubular products

Underwriting—Kuhn, Loeb & Co., and A. G. Becker & Co., Inc., both of New York, each have agreed to purchase $1,000,000 principal amount of the bonds

Offering—The bonds will be offered to the public, at a price to be supplied by amendment

Proceeds to extent of $1,040,000 will be deposited with Trustee and will be withdrawn from time to time in the future against property additions which are now contemplated; balance for working capital

Registration Statement No. 2-4905. Form A2. (12-2-41)

TUESDAY, DEC. 23

FOOD MACHINERY CORP.

Food Machinery Corp. filed registration statement with SEC for $4,000,000 sinking

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fund debentures, due 1956. Interest rate will be supplied by amendment to registration statement

Address—San Jose, Cal.

Business—Manufacture and sale of food cleaning and packing machinery

Underwriters—Kidder, Peabody & Co., and Mitchum, Tully & Co.

Offering—The debentures will be offered to the public, at a price to be supplied by amendment

Proceeds will be applied toward payment of outstanding bank loans, and for working capital purposes

Registration Statement No. 2-4907. Form A2. (12-4-41 San Francisco)

THURSDAY, DEC. 25

INTER-MOUNTAIN TELEPHONE CO.

Inter-Mountain Telephone Co. filed registration statement with SEC for 25,000 shares common stock, voting, $10 par value

Address—Sixth and Crumley Sts., Bristol, Tenn.

Business—Supplies telephone service in portions of Virginia and Tennessee

Underwriters—Alex. Brown & Sons, Baltimore; Mason-Hagan, Inc., Richmond, Va.; Stern, Wampler & Co., Inc., Chicago; Equitable Securities Corp., Nashville, Tenn.; Courts & Co., Atlanta, Ga.; R. S. Dickson & Co., Inc., Charlotte, N. C.; Minnich, Wright & Co., Inc., Bristol, Tenn.

Offering—The 25,000 shares of common stock will be offered to the public, at a price to be supplied by amendment to registration statement. The shares are to be offered for the account of the underwriters, who are to acquire such shares as follows: Southern Bell Telephone & Telegraph Co. and Chesapeake & Potomac Telephone Co. of Virginia, have agreed to sell to above underwriters, a total of 25,000 shares of 6% non-cumulative convertible preferred stock, $10 par, of company, at a price to be supplied by amendment (20,665 shares of such preferred to be sold by former, 4,335 shares by latter). Underwriters agree that immediately following delivery to them of such shares of preferred stock, each will convert same, share for share, into a total of 25,000 shares of common stock of company

Proceeds will be received by the underwriters

Registration Statement No. 2-4908. Form A2. (12-6-41)

SATURDAY, DEC. 27

BOND STORES, INC.

Bond Stores, Inc., filed registration statement with the SEC for 50,000 shares common stock, $1 par value

Address—261 Fifth Ave., New York City

Business—Business consists principally of retail sale of men's and young men's clothing at 59 stores located in 48 cities, and the manufacture by the company of most of the clothing sold at such stores

Underwriters — Lehman Brothers, and Wertheim & Co., both of New York

Offering—The 50,000 shares are already outstanding and are to be offered to the public for the account of Benj. J. Friedman, President of the company. Public offering price will be determined in accordance with a formula, evolving around the then price of such common stock on the New York Stock Exchange

Proceeds will be received by Benj. J. Friedman, President of company

Registration Statement No. 2-4909. Form A2. (12-8-41)

BURLINGTON REALTY TRUST

Bondholders' Committee for holders of Burlington Realty Trust first mortgage 5½% sinking fund bonds (modified to pay interest at 3% on income basis) due Oct. 1, 1945, has filed registration statement with SEC for certificates of deposit to be issued under a deposit agreement covering said bonds. $1,052,800 of such bonds are outstanding

Address—Company: 175 Woodruff Ave., Brooklyn, N. Y.; Protective Committee: c/o William Healy, 1701 Landreth Bldg., St. Louis, Mo.

Business—The Burlington Trust owned, operated and managed merchantile property known and numbered as 21-27 Burlington Ave., at Brookline Ave., Boston, Mass., which was leased to the Post Office Department of the U. S. of America

Protective Committee—John F. Bunn, Jr., Philadelphia; A. A. Christophel, St. Louis; W. C. Siddle, Davenport, Ia. **Depositary**—First Trust & Savings Bank, Davenport, Ia.

Committee Recommends that holders deposit their bonds promptly, so that the Committee may be in a position to prepare to bring about a foreclosure sale and protect the interests of the depositing bondholders at such sale, and in addition to be in a position to sell the mortgaged property, if a suitable offer is received

Registration Statement No. 2-4910. Form D-1 (12-8-41)

WEDNESDAY, DEC. 31

MERCHANTS & MANUFACTURERS SECURITIES CO.

Merchants & Manufacturers Securities Co. has filed a registration statement with the SEC for $1,081,000 of 10-year 4½% debentures, due Sept. 1, 1950

Address—231 South La Salle St., Chicago, Ill.

Business—Through its subsidiaries, is engaged in the small loans business

Underwriting and Offering—The debentures are outstanding in the hands of the public and have been registered with SEC under Securities Act of 1933 solely for the purpose of obtaining the assent of the holders of not less than a majority in principal amount thereof to modify certain provisions of the indenture under which the debentures have been issued. Smith, Burris & Co., Chicago, is to assist company in obtaining such assents. Major modification of indenture being sought is to permit release from covenants thereof of not to exceed 62,484 shares of common stock of Domestic Finance Corp. now owned by Merchants & Manufacturers Securities Co. It is present intention of company to dispose of such shares either in exchange for or to utilize the proceeds of the sale thereof for the purchase of shares of participating preferred stock of the company

Registration Statement No. 2-4912. Form A2. (12-12-41)

VIRGINIA PUBLIC SERVICE CO.

Virginia Public Service Co. filed a registration statement with the SEC for: $22,800,000 first mortgage 3½% bonds, due Dec. 1, 1971; $5,700,000 of 2%-3½% serial notes, due semi-annually June 1, 1944-Dec. 1, 1951, in varying amounts (from $320,000 to $390,000); 70,000 shares 5¼% cumulative preferred stock, $100 par value; and 628,333 shares common stock, no par

Address—117 S. Washington St., Alexandria, Va.

Business—Company is principally an electric operating public utility engaged in the production, purchase, transmission, distribution and sale of electric energy at retail and wholesale in Virginia, West Virginia and, to a minor extent, in North Carolina. Company is a subsidiary of General Gas & Electric Corp., which is in the Associated Gas & Electric Corp. holding company system

Underwriting and Offering—The securities registered will be sold through competitive bidding, under the SEC's competitive bidding Rule U-50 of the Public Utility Holding Company Act. Only exception is confined to such shares of the new preferred stock as may be issued on a share for share basis (with a cash adjustment) to holders of the presently outstanding preferred stock who do not elect to take cash for their stock. Name of underwriters, and public offering prices for the securities, will be supplied by post-effective amendment to registration statement

Proceeds will be used as follows: The 628,333 shares of new no par common stock will first be issued to General Gas & Electric Corp. in exchange for the old common stock now held by General Gas & Electric Corp., and will be offered for sale through competitive bidding. The proceeds from the sale of the securities registered will be used to retire all of the outstanding long-term indebtedness of the company, its predecessor and constituent companies, and that of Virginia Public Service Generating Co. (a subsidiary), to make cash payments to its present preferred stockholders, and to provide company with funds for new construction

Registration Statement No. 2-4913. Form A2. (12-12-41)

DATES OF OFFERING UNDETERMINED

We present below a list of issues whose registration statements were filed twenty days or more ago, but whose offering dates have not been determined or are unknown to us.

AIR ASSOCIATES, INC.

Air Associates, Inc., registered with SEC 50,000 shares $1.37½ Cumulative Convertible Preferred Stock, no par; and maximum of 100,000 shares $1 par common stock, latter reserved for issuance upon conversion of the preferred.

Address—Bendix Airport, Bendix, N. J.

Business—Company is manufacturer and distributor of airplane parts, equipment, material, supplies and accessories.

Underwriter—White, Weld & Co., New York, is principal underwriter; others to be named by amendment. Underwriting commission is $2.25 per share.

Offering—Preferred stock to be offered amendment.

Proceeds—$300,000 to prepay outstanding bank loans; $200,000 for purchase of additional machinery; balance for plant additions and working capital.

Registration Statement No. 2-4851. Form A-2. (9-27-41).

The company has filed an amendment to its registration statement with the Securities and Exchange Commission disclosing that its 50,000 shares of $1.37½ cumulative convertible preferred stock will be offered to the public by the following underwriters:

	Shares
White, Weld & Co.	12,500
Jackson & Curtis	10,000
Merrill, Lynch, Pierce, Fenner & Beane	10,000
Stern, Wampler & Co.	5,000
E. H. Rollins & Sons	4,000
Pacific Co. of California	4,000
Mitchum, Tully & Co.	1,500
Cohu & Torrey	1,000
Fuller, Cruttenden & Co.	1,000
Vietor Common & Co.	1,000

Amendments filed Nov. 25 and Dec. 13, 1941, to defer effective date

AMERICAN BAKERIES CO.

American Bakeries Co. registered 15,000 shares Class B no par common stock

Address—No. 520 Ten Pryor St. Bldg. Atlanta, Ga.

Business—Manufacturing and distributing bakery products in souther states

Underwriter—None named

Offering—Stock will be offered to public at price to be filed by amendment

Proceeds—All proceeds will be received by L. A. Cushman, Jr., chairman of board of company, for whose account the stock will be sold

Registration Statement No. 2-4714. Form A-2. (3-28-41)

Proposed offering as amended Dec. 10, 1941, 9,000 shares at $54.25 per share

Amendments filed Nov. 21 and Dec. 8, 1941, to defer effective date

BEACON ASSOCIATES, INC.

Beacon Associates, Inc. registered SEC $500,000 6% Participating Sinking Fund Debentures, due July 1, 1971

Beacon Associates, Inc. interest rate on $500,000 Participating Sinking Fund Series A Debentures, due July 1, 1971, changed from 6% to 6½% per annum, according to amendment filed with SEC July 21, 1941

Address—216 Turks Head Bldg., Providence, R. I.

Business—Engaged in the small loan business in Rhode Island and Massachusetts

Offering—The Debentures will be offered to the public at 100 by F. L. Putnam & Co., Inc., Boston; underwriting commission is 15%, leaving net price to company of 85

Underwriter—F. L. Putnam & Co., Inc., Boston

Proceeds—Will be advanced to subsidiary for their working capital or will be used for payment of debt incurred on providing funds for advances to subsidiaries

Registration Statement No. 2-4790. Form A-2. (6-27-41)

Effective—3:00 P.M. E.S.T., August 22 as of July 17, 1941

BEAR MINING AND MILLNG COMPANY

Bear Mining and Milling Co. registered 153,145 shares of common stock, $1 par

Address — 513 Majestic Bldg., Denver Colo.

Business—Mining and milling

Underwriter—None

Offering—Stock will be offered publicly at $1 per share, selling commission 35%

Proceeds — For development equipment and operation mining property near Breckenridge, Colo.

Registration Statement No. 2-4571. Form A-1. (11-12-40)

Amendment filed Dec. 3, 1941, to defer effective date

BONWIT TELLER, INC.

Bonwit Teller, Inc. registered 39,334 shares of 5½% cumulative convertible preferred stock, $50 par, and 131,202 shares of common stock, $1 par

Address—721 Fifth Avenue, New York City

Business—Operation of specialty store in New York City

Underwriters—To be filed by amendment

Offering Terms — Preferred and common will be publicly offered at prices to be filed by amendment, except that 106,202 common shares will be reserved for conversion of preferred

Proceeds—Stock will be sold by Atlas Corp. and the American Co., parents, and no proceeds will be received by the company

Registration Statement No. 2-4748. Form A-2. (4-30-41)

Amendments filed Nov. 24 and Dec. 11, 1941, to defer effective date

CAROLINA TELEPHONE & TELEGRAPH CO.

Carolina Telephone & Telegraph Co. registered with SEC 10,625 shares common stock, $100 par, and subscription warrants evidencing rights to subscribe for such 10,625 shares common stock

Address—122 St. James St., Tarboro N. C.

Business—This operating company is engaged in the telephone business in the eastern part of North Carolina. About 31.67 of its common stock is owned by Southern Bell Telephone & Telegraph Co. (a subsidiary of AT&T)

Underwriters—There is no underwriting involved in connection with this financing

Offering—Common stockholders of record Nov. 26, 1941, are being granted transferable warrants to subscribe at $100 per share for the 10,625 shares of common stock, at the rate of one share for each 4 shares then held. Warrants expire Dec. 29, 1941. Company reserves right to reoffer for sale, at a price in no event less than $100 per share, such of the 10,625 shares of common stock as are not subscribed for by stockholders in the exercise of the warrants

Proceeds to payment of $830,000 of bank loans, balance for plant and equipment additions and betterments, and for working capital

Registration Statement No. 2-4875. Form A2 (11-4-41)

Effective 4:45 p. m. E.S.T. on Nov. 19, 1941

CESSNA AIRCRAFT CO.

Cessna Aircraft Co. filed registration statement with SEC for 21,445 shares of common stock, $1 par value

Address—5800 Franklin Road, Wichita, Kansas

Business—Manufacture, design development and sale of single and multi-engine aircraft, together with repair parts therefor, for commercial, transport, military and private domestic use, and for export for both private and military use

Underwriter—Auchinloss, Parker & Redpath, Washington, D. D.

Offering—The shares registered are already outstanding and are to be offered to the public for the account of two selling stockholders

Proceeds will be received by the selling stockholders

Registration Statement No. 2-4911. Form S2. (12-9-41)

Offered Dec. 17, 1941, at $11.50 per share

CHAMPION PAPER & FIBRE CO.

Champion Paper & Fibre Co. registered with SEC $8,500,000 of first mortgage bonds, due Nov. 1, 1956 (interest rate to be filed by amendment); 40,000 shares $5 cumulative convertible preferred stock, no par; and an indeterminable number of shares of no par common stock, to be reserved for issuance upon conversion of the preferred stock

Address—Hamilton, O.

Business—Largest domestic manufacturer of the types of paper known in the trade as white papers and book papers, and is one of the largest domestic manufacturers of coated papers

Underwriters are W. E. Hutton & Co and Goldman, Sachs & Co., both of New York, N. Y.

Offering—The bonds and preferred stock will be offered to the public, at prices to be supplied by amendment

Proceeds will be used to redeem the outstanding aggregate of $8,660,000 of 4¾% sinking fund debentures ($4,125,000 principal amount due 1950, at 104½; $4,535,000 principal amount of the 1938 Issue at 102¼), requiring $8,947,663. Balance of net proceeds will be added to working capital

Registration Statement No. 2-4867. Form A2. (10-25-41)

Amendment Filed—Company has filed an amendment with the SEC to its registration statement disclosing that the bonds would bear interest at the rate of 3½% per annum. The public offering price of the bonds and the preferred stock will be supplied by later amendment

Also disclosed in the amendment is the names of the underwriters for the bonds and preferred stock, together with the amount of each issue underwritten by each, as follows (all of New York City, unless otherwise indicated):

	Prin. amt. of bonds	No. of shs. of pref. stk
W. E. Hutton & Co.	$1,700,000	8,000
Goldman, Sachs & Co.	1,700,000	8,000
R. S. Dickson & Co.	127,000	600
Drexel & Co., Phila.	425,000	2,000
Field, Richards & Co., Cincinnati	85,000	400
First Boston Corp.	425,000	2,000
Harriman Ripley Co.	425,000	2,000
Hemphill, Noyes Co.	255,000	1,200
Hornblower & Weeks	340,000	1,600
Johnson, Lane, Space & Co., Savannah	85,000	400
Kidder, Peabody Co.	765,000	3,600
Kuhn, Loeb & Co.	850,000	4,000
W. C. Langley & Co.	340,000	1,600
Lee Higginson Corp.	511,000	2,400
Piper, Jaffray & Hopwood, Minneapolis	127,000	600
White, Weld & Co.	340,000	1,600

Amendment filed Dec. 9 to defer effective date

CHESAPEAKE CORPORATION OF VIRGINIA

Chesapeake Corporation of Virginia registered with the SEC an unstated number of shares of common stock, $5 par value. Company estimates that the number of shares to be involved is 135,000 shares

Address—West Point, Va.

Business—Company is engaged in the manufacture and sale of sulphate pulp, Fourdrinier kraft board and kraft specialties

Underwriting — Principal underwriters named are: Scott & Stringfellow, Richmond, Va., and Blyth & Co., Inc., New York. Names of other underwriters will be supplied by amendment to the registration statement

Offering—The shares of common stock to be offered under this registration statement are already issued and outstanding, and are to be offered to the public for the account of certain selling stockholders. Public offering price will be supplied by amendment

Proceeds will be received by the selling stockholders

Registration Statement No. 2-4895. Form A2. (11-24-41)

COLUMBIA GAS & ELECTRIC CORP.

Columbia Gas & Electric Corp. registered $28,000,000 serial debentures, due 1942 to 1951, and $92,000,000 sinking fund debentures due 1961

Address—61 Broadway, N. Y. C.

Business—Public utility holding company

Offering—Both issues will be publicly offered at prices to filed by amendment

Proceeds—To redeem $50,000,000 Deb 5s, 1952; $4,750,700 Deb. 5s, due April 15, 1952; $50,000,000 Deb. 5s, 1961; to purchase $3,750,000 4% guaranteed serial notes due 1942-46 of Ohio Fuel Gas Co., a subsidiary, and $3,750,000 guaranteed serial notes of United Fuel Gas Co., a subsidiary, from the holders thereof; and to make a $3,402,090 capital contribution to Cinn., Newport & Covington Ry Co. to enable that Company to redeem its outstanding $3,303,000 1st & Ref. 6s, 1947

Registration Statement No. 2-4736. Form A-2. (4-10-41)

Amendments filed Nov. 18 and Dec. 6 to defer affective date

COMPOSITE BOND FUND, INC.

Composite Bond Fund, Inc., registered with SEC 32,500 shares $1 par common stock.

Address—601 Riverside Ave., Spokane, Wash.

Business — Open-end investment trust, limited to investments in bonds.

Underwriting—Murphey, Favre & Co., Spokane, Wash., is underwriter and distributor, purchasing said shares at the net asset value then in effect for distribution to public at such net asset value plus 8½%.

Offering—To be offered to the public at the then prevailing market price.

Proceeds—Will be used for investment purposes.

Registration Statement No. 2-4825 Form A-1. (8-28-41)

Amendment filed Nov. 8, 1941, to defer effective date

CROCKER MC ELWAIN CO.

The Voting Trustees of Crocker McElwain Co. registered with the SEC voting trust certificates, to be issued in exchange for a like number of shares of 1,684 shares of 7% preferred stock, $100 par, and 15,000 shares of common stock, $100 par.

The voting trust certificates provide that the voting trust shall continue in effect until Sept. 2, 1944, unless terminated earlier. Unless terminated according to its terms, the voting trust will continue until Sept. 2, 1947.

Voting trustees are Elmer C. Tucker, Ralph H. Morrill, and Joseph K. Holmes.

Address—642 Main St., Holyoke, Mass.

Business—Company is engaged in manufacture and sale of paper, with its mill located in Holyoke, Mass.

Registration Statement No. 2-4858. Form F-1 (10-11-41).

Effective 4:45 p.m., E.S.T., on Nov. 15, 1941.

ELMORE OIL CORP.

Elmore Oil Corp. registered with SEC 14,000 shares common stock, $5 par value of which 1,376 shares have been sold heretofore and rescission offer is made

Address — Stevens-Harle Bldg., Durant, Okla.

Business—Engaged in the oil business, buying, selling oil and/or gas leases; owns and operates certain oil and gas leases and equipment in Brown and Jack Counties, Tex.

Underwriters—None

Offering—The shares will be offered to the public direct by company, at $5 per share

Proceeds will be used for drilling of 5 additional wells, the equipping of a certain lease, and for working capital

Registration Statement No. 2-4864. Form A-1. (10-21-41)

FLORIDA POWER & LIGHT CO.

Florida Power & Light Co. registered with SEC $45,000,000 First Mortgage bonds, due Oct. 1, 1971; $10,000,000 Sinking Fund Debentures, due Oct. 1, 1956; and 140,000 shares Cumulative Preferred Stock, $100 Par. Interest rates on the Bonds and Debentures, and the dividend rate on the preferred stock, will be supplied by amendment

Address—25 S. E. Second Ave., Miami, Fla.

Business—This subsidiary of American Power & Light (Electric Bond & Share System) is an operating public utility engaged principally in generating, transmitting, distributing and selling electric energy (also manufacture and sale of gas), serving most of the territory along the east coast of Florida (with exception of the Jacksonville area), and other portions of Florida

Underwriting and Offering—The securities registered are to be sold by company under the competitive bidding Rule U-50 of the SEC's Public Utility Holding Company Act. Names of underwriters and price to public, will be supplied by post-effective amendment to registration statement

Proceeds will be applied as follows: $53,170,000 to redeem at 102¼, the $52,000,000 of company's First Mortgage 5s of 1954; $15,693,370 to redeem at $110 per share, the 142,667 shares of company's $7 preferred stock, no par. Further details to be supplied by post-effective amendment

Registration Statement No. 2-4845. Form A2. (9-17-41)

Amendment filed Nov. 27, 1941, to defer effective date

HASTINGS MANUFACTURING CO.

Hastings Manufacturing Co. registered with SEC 140,400 shares common stock, $2 par value

Address—Hastings, Mich.

Business—Manufactures and sells piston rings and expanders

Underwriters—Schroder, Rockefeller & Co., Inc., are principal underwriters. Other underwriters are Smith, Hague & Co. and Carlton M. Higbie Corp., Detroit, Mich.

Offering—23,100 shares are unissued and are to be offered to the public for the account of the company; remaining 117,300 shares are outstanding and are to be sold to public for account of certain selling stockholders

Proposed offering as amended: 23,100 shares by company, 105,756 shares by certain stockholders

Public offering price is $9.50 per share

Proceeds to company will be used for general corporate purposes, including purchase of new equipment and for working capital

Registration Statement No. 2-4890. Form A2. (11-19-41 Cleveland)

HOUSTON LIGHTING & POWER CO.

Houston Lighting & Power Co. registered with SEC an indeterminate number of shares of its common stock, no par. (Company has outstanding 500,000 shares of common stock, of which 499,987 shares are held by its parent National Power & Light Co., which latter company also holds options to purchase the remaining 13 shares of outstanding common stock of company).

Address—900 Fannin St., Houston, Tex.

Business—Company is an operating public utility company principally engaged in generating, transmitting, distributing and selling electricity at retail and wholesale, serving 150 communities and an extensive rural area in Texas, including cities of Houston and Galveston.

Underwriter—None.

Offering — No public offering contemplated initially. Company is advised by National Power & Light, that that company has filed with SEC a declaration under the Holding Company Act contemplating, initially, the exchange of common stock of company which National Power & Light owns, for the $6 preferred stock of National Power & Light Co. and also contemplating that if, upon termination of such proposed exchange plan, National Power & Light still holds as much as 5% of common stock of company, it will dispose of such holdings as promptly as shall be practicable in light of then market and other conditions and with the best interests of its security holders in mind. After such disposition, company will have ceased to be either a subsidiary or an affiliate of National Power & Light Co. or Electric Bond & Share Co.

Registration Statement No. 2-4827 Form A-2. (8-29-41)

Company filed amendment (Nov. 28, 1941) with SEC disclosing the terms under which its 500,000 shares of no par common stock, outstanding and owned by National Power & Light Co., would be offered in exchange for the outstanding $6 preferred stock (279,716 shares) of National Power & Light Co. National Power & Light is offering to each holder of its $6 preferred stock the right to exchange all or any part of his holdings of $6 preferred stock, in full share amounts up to 90% of such holdings, for common stock of Houston Lighting & Power Co. on the basis

of two shares of Houston common for one share of National $6 preferred stock. Expiration date of exchange offer will be supplied by amendment. Exchange agents are Bankers Trust Co., New York, and First National Bank, Houston, Tex. The exchange offer is permitted as a step preparatory to dissolution of National Power & Light Co.

ILLINOIS COMMERCIAL TELEPHONE CO

Illinois Commercial Telephone Co. registered with SEC $5,750,000 of first mortgage 3⅜% bonds, due Oct. 1, 1971; and 24,000 shares of $5 cumulative preferred stock no par

Address—607 E. Adams St., Springfield, Ill.

Business—This subsidiary of General Telephone Co. is engaged in providing, without competition, telephone service to 180 communities and surrounding territories in Illinois, including Kewanee, Monmouth, Macomb, Lincoln, Belvidere, Harrisburg, Olney, Mendota and Mt. Carmel

Underwriters, and amount of bonds and preferred stock underwritten by each, follow:

	Amt. of Bonds	No. of Shs. of pfd. stk.
Bonbright & Co., Inc., New York	$2,875,000	12,000
Paine, Webber & Co., New York	2,156,000	9,000
Mitchum, Tully & Co., Los Angeles	719,000	3,000

Offering—Bonds and preferred stock to be offered to the public at a price to be supplied by amendment to the registration statement

Proceeds from sale of the bonds and preferred stock, together with $105,000 received from sale of 7,000 additional shares common stock, will be used in part to retire following securities of company: $5,750,000 First Mortgage Series A 3¾% bonds, due June 1, 1970, at 105½; 17,098 shares $6 preferred stock, at $110 per share; 1,108 shares $6 preferred stock, owned by parent company, at latter's cost Balance of net proceeds will be used to purchase from General Telephone Corp the outstanding capital stocks of Central Illinois Telephone Co. and Illinois Standard Telephone Co., to make additions and betterments to company's plant and property, and for other corporate purposes

Registration Statement No. 2-4866. Form A2. (10-24-41)

Amendment filed Nov. 26, 1941, to defer effective date

KANSAS-NEBRASKA NATURAL GAS CO., INC.

Kansas-Nebraska Natural Gas Co., Inc., registered with SEC 48,468 shares common stock, $5 par value

Address—Phillipsburg, Kan.

Business—Company is an operating public utility company engaged in the purchase of natural gas in Kansas, and in its transmission and wholesale and retail distribution in the States of Kansas and Nebraska

Underwriting—Names of underwriters, and number of shares underwritten by each, are as follows: First Trust Co., Lincoln, Neb., 11,108 shares; Harold E. Wood & Co., St. Paul, Minn., 15,132; Estes, Snyder & Co., Inc., Topeka, Kan., 10,012; United Trust Co., Abilene, Kan., 5,552; Beecroft, Cole & Co., Topeka, Kan., 6,664

Offering—The 48,468 shares are subject to purchase, under certain options, by the above underwriters, from the company, at a price of $5.4545 per share for a block of 8,468 shares, and at a price of $5.50 per share for the remaining 40,000 shares. The underwriters, upon exercise of their various options, propose to reoffer such shares to the public at a price of $6.50 per share

Proceeds will be added to working capital of company

Registration Statement No. 2-4894. Form A2. (11-24-41)

Effective—4:45 p. m., E.S.T., on Dec. 11, 1941

KENSINGTON MINES, INC.

Kensington Mines, Inc. has filed a registration statement covering 565,000 shares of $1 par 6 per cent cumulative preferred stock and the same number of shares of 1 cent par common 35,000 shares of $1 par 6 per cent cumulative preferred shares previously sold to promoters at $1 and 1,320,000 shares of 1 cent common previously sold to promoters at 2.61 cents a share

Address—Seattle, Washington

Business—Mining and Milling

Proceeds — For property, construction development and working capital

Underwriters—Kressly and Campbell

Registration Statement No. 2-4697. Form A-1. (3-21-41)

Effective—4:45 P.M., E.S.T., April 9 1941

KIRKLAND GOLD RAND, LTD

Kirkland Gold Rand, Ltd., registered with SEC, under refiling, 500,000 shares common stock $1 par

Address—360 St. James St., West, Montreal, Quebec, Canada

Business—Engaged in development, acquiring, holding, selling and operating gold, silver and other mineral mines Company is still in the development stage

Underwriters—To be named by amendment

Offering—Above shares to be offered to public at $1.25 per share; underwriting commission is 43¾ cents per share

Proceeds—For development, purchase of equipment and working capital

Registration Statement No. 2-4727. Form A-1. Refiled (6-16-41)

Amendment to defer effective date filed in Cleveland Nov. 28, 1941, and Dec. 8, 1941

LA CROSSE TELEPHONE CORP.

La Crosse Telephone Corp. registered 32,080 shares of common stock, $10 par

Address—La Crosse, Wisconsin

Business—Telephone service to La Crosse, Wis.

Underwriter—Alex. Brown & Sons

Offering—All stock registered will be publicly offered at price to be filed by amendment, except that 2,406 shares will be sold to Central Electric & Telephone Co.

Proceeds—Stock registered is owned by parent company, Middle Western Telephone Co., which will donate a portion to La Crosse Telephone Corp. and latter will use proceeds to retire outstanding preferred stock

Registration Statement No. 2-4717. Form A-2 (3-29-41)

Amendments filed Nov. 19 and Dec. 8, 1941, to defer effective date

McDONNELL AIRCRAFT CORP.

McDonnell Aircraft Corp. registered with SEC 6,453⅛ shares 6% Non-Cumulative Convertible Preferred Stock, $100 par, and 129,063⅓ shares common stock, $1 par

Address — Lambert-St. Louis Municipal Airport, Robertson, Mo.

Business—Engaged in designing and developing aircraft and of manufacturing and selling parts for aircraft; expects presently to engage in business of manufacturing, testing and selling aircraft

Underwriting—None. Securities to be offered by company

Offering—Of the shares registered, the 6,453⅛ shares of preferred and 64,531⅔ shares of common, will be offered to public in units each unit consisting of one share of preferred and 10 shares of common stock, at price of $140 per unit. Remaining 64,531⅔ shares common reserved for issuance on conversion of the preferred

Proceeds for working capital, purchase of tools, machinery and equipment.

Registration Statement No. 2-4844. Form A-1. (9-17-41)

Effective—4:45 P.M., E.S.T., on Oct. 8 1941 as of 4:45 P.M., E.S.T., Oct 6. 1941

NORTHERN NATURAL GAS CO.

Northern Natural Gas Co. registered 710,500 shares of common stock, $20 par

Address — Aquila Court Bldg., Omaha Nebraska

Business—Production and transmission of natural gas

Underwriter—Blyth & Co., and others to be named by amendment

Offering—Stock will be publicly offered at price to be filed by amendment

Proceeds—All proceeds will be received by selling stockholders, United Light & Railways Co., and North American Light and Power Co.

Registration Statement No. 2-4741. Form A-2. (4-21-41)

Northern Natural Gas Co. filed an amendment to its registration statement of shares of its $20 par value common stock proposed to be offered to the public has been reduced from 710,500 shares to 355,250 shares. According to the amendment, such 355,250 shares are those that are presently owned, and outstanding by North American Light & Power Co. and are to be offered to public for the account of American Light & Power Co

The 355,250 additional shares orginally registered with the SEC on April 21, 1941 for public offering, and withdrawn from registration were subsequently registered and became effective. These shares constituted the stock outstanding and owned by United Light & Railways Co., a subsidiary of United Light & Power Co.

NORTH SHORE GAS CO.

North Shore Gas Co. registered with the SEC $3,700,000 of first mortgage series A bonds, due 1961, and $700,000 serial notes due $50,000 semi-annually in 1942-1948, inclusive. Interest rates and maturity dates will be supplied by amendment

Address—211 Madison St., Waukegan, Ill.

Business—This public utility company is engaged principally in the production, distribution and sale of gas for heat, light, power and other purposes; gas sold consists partially of water gas and partially of coke oven gas. Territory served comprises 270 sq. miles, including all of the communities situated along the shore of Lake Michigan from the Illinois-Wisconsin State line on the north to the south boundary of Winnetka, Ill., on the south

Underwriters—Central Republic Co., Chicago, is named principal underwriter; names of other underwriters will be supplied by amendment

Offering—The bonds and notes will be offered to the public, at prices to be supplied by amendment.

Proceeds, plus other funds of company, will be applied to payment, at 100 and accrued interest, of the $4,604,000 of joint first mortgage 4% Series A bonds, due Jan. 1, 1942, of company and North Shore Coke & Chemical Co.

Registration Statement No. 2-4889. Form A2. (11-18-41)

Company has filed an amendment with the SEC disclosing that the $3,700,000 first mortgage series A bonds of company would bear an interest rate of 4% per annum, and would mature on Dec. 1, 1961. Also, that the $700,000 of serial notes would mature $50,000 on each June 1 and Dec. 1, from June 1, 1942, to Dec. 1, 1948, both inclusive. The public offering prices of the bonds and notes, and the interest rates on the notes, will be supplied by a subsequent amendment to the registration statement

Company filed amendment Dec. 11, 1941, giving the interest rates on the serial notes 2½% to 3¾%.

The underwriters, and the principal amount of the bonds and notes which each has agreed to purchase, are as follows:

	Bonds (000 omitted)	Notes (000 omitted)
Central Republic Co., Inc., Chicago	$1,050	$200
E. H. Rollins & Sons Inc., New York	900	170
Stern, Wampler & Co., Inc., Chicago	650	120
Coffin & Burr, Inc., Boston	600	115
A. C. Allyn & Co., Inc., Chic.	500	95

PANAMA COCA-COLA BOTTLING CO.

Panama Coca-Cola Bottling Co. registered with the SEC 33,750 shares common stock $1 par

Address—19-A Avenue Jose Francisco de la Ossa, Panama, R. de P.

Business—Engaged in business of bottling Coca-Cola and other carbonated beverages and in manufacture of ice-cream and ice, all of which are sold wholesale in the Republic of Panama and in the Canal Zone

Underwriters—Elder & Co., New York, is the sole underwriter

Offering—The shares will be offered to the public at $12.50 per share; underwriting commission is $2.50 per share

Proceeds—Will be used to increase the company's working capital

Registration Statement No. 2-4870. Form S-2 (New Form) (10-29-41)

Effective 3 p. m. E.S.T. on Nov. 25, 1941

PIERCE BUTLER RADIATOR CORP.

Pierce Butler Radiator Corp. has registered with SEC 120,000 shares 5% cumulative convertible preferred stock, $2.50 par value; and 120,000 shares of $1 par common stock, latter reserved for conversion upon issuance of the preferred

Address—701 Nichols Ave., Syracuse, N. Y.

Business—Engaged in manufacture and sale of heating boilers and radiators, steam heating and high pressure boilers, Unaflow engines, radiator valves, boiler gauges and thermometers

Underwriters—None

Offering—The preferred stock will be offered for subscription to stockholders, at par. Unsubscribed portion will be purchased by Max Kalter, director of company, on behalf of a syndicate which he represents. Subscription price is $2.50 per share

Proceeds will be used for payment of certain outstanding bank loans and notes

Registration Statement No. 2-4865. Form A1. (10-23-41)

PUBLIC SERVICE CO. OF INDIANA, INC.

Public Service Co. of Indiana, Inc., registered with SEC $42,000,000 first mortgage series D 3⅜% bonds, due Dec. 1, 1971

Address—110 N. Illinois St., Indianapolis, Ind.

Business—Incorporated in Indiana on Sept. 6, 1941, as result of consolidation of Public Service Co. of Indiana, Central Indiana Power Co., Northern Indiana Power Co., Terre Haute Electric Co. and Dresser Power Corp. Company is a public utility operating in State of Indiana and is engaged principally in production, generation, manufacture, purchase, transmission, supply distribution and sale of electric energy and gas, and in the supply, distribution and sale of water.

Underwriting and Offering—The bonds will be sold under the competitive bidding Rule U-50 of the SEC's Public Utility Holding Company Act. Names of underwriters, and public offering price, will be supplied by post-effective amendment to registration statement

Proceeds, plus other funds of company if necessary will be applied to redemption, within 40 days after issuance of the bonds, of the $38,000,000 of Public Service Co. of Indiana first mortgage series A 4% bonds, due Sept. 1, 1969, at 105½ and accrued interest; and $4,000,000 of the net proceeds will be deposited with the trustee under the series D indenture and will be used in accordance with the provisions of the indenture

Registration Statement No. 2-4893. Form A2. (11-22-41)

Effective—10 a.m. E.S.T. on Dec. 6, 1941

No bids for the purchase of the bonds were received on Dec. 16, 1941

RAILROAD EMPLOYEES CORP.

Railroad Employess Corp. registered with SEC $750,000 5% convertible sinking fund debentures, due Dec. 1, 1956; and undetermined number of shares $1 par class A common stock, reserved for issuance on conversion of the debentures

Number of shares reserved for conversion purposes, 107,142

Address—155 E. 44th St., N. Y. City

Business—Through subsidiaries, engaged in the "small loans" business in New York and New Jersey

Underwriters—E. H. Rollins & Sons, Inc., New York, is principal underwriter; others to be named by amendment

Offering—Debentures will be offered to public, at price to be supplied by amendment

Price supplied by amendment, $98

Proceeds will be added to general funds, and used in part to reduce bank loans and commercial paper

Registration Statement No. 2-4891. Form A2. (11-19-41)

SOUTH CAROLINA INSURANCE CO.

South Carolina Insurance Co. registered with SEC 12,500 shares common stock, $8 par value

Address—1400 Main St., Columbia, S. C.

Business—Engaged principally in the writing of fire insurance

Underwriting and Offering—The shares will first be offered for subscription to present stockholders, under their preemptive rights, at price of $16 per share. Unsubscribed portion of such shares will be offered to public at $18 per share, within 30 days after effective date of registration statement. Underwriters will be named by amendment; underwriting commission will be $2 per share

Proceeds will go directly to capital ($100,000) and the residue to surplus. Company deems it essential to comply with laws of New York State, soon to become effective requiring a minimum capital of $250,000 and with the laws of Massachusetts requiring a minimum capital of $300,000

Registration Statement No. 2-4898. Form A2. (11-27-41)

TEXAMERICA OIL CORP.

Texamerica Oil Corp. registered with SEC 119,891 shares common stock, $2 par.

Address — Milam Bldg., San Antonio Tex.

Business—Engaged in production and marketing of crude oil, acquire mineral leasehold interests in producing or proven oil properties in Texas, drilling of oil wells thereon, acquire royalty interests in proven and developed oil properties.

Underwriter—Willard York Co., San Antonio, Tex., has agreed to purchase 44,750 shares at $1.75 per share and 74,157 shares at $2, from company.

Offering—118,907 shares to be offered to public at $2.375 per share; remaining 984 shares registered constitute shares issued July 1, 1941, by company, as dividends.

Proceeds—Will be used to pay outstanding mortgage indebtedness ($200,000), and remaining $26,626 will be added to working capital

Registration Statement No. 2-4824 Form A-1. (8-27-41)

(This List is Incomplete This Week)

UNION LIGHT, HEAT AND POWER COMPANY

Union Light, Heat and Power Co. registered 25,000 shares $100 par common stock

Address—4th & Main St., Cincinnati Ohio

Business — Operating electric utility company

Underwriter — Columbia Gas & Electric Corp.

Offering—Stockholders will receive offer to subscribe to 25/94ths of one common share in units of 5/94ths of a share for each 5/94ths of a share held at $5.32 for each unit. On a share basis, stockholders may subscribe to 5 new shares for each share held at $100.016 per share Substantially all outstanding stock is held by Columbia Gas & Electric Corp.

Proceeds—To repay current debt and $2,835,000 first mortgage bonds held by parent and associated companies, and for construction costs

Registration Statement No. 2-4379. Form A-2. (3-30-40)

Amendments filed Nov. 25 and Dec. 13, 1941, to defer effective date

UNITED WHOLESALE DRUGGISTS OF PITTSBURGH, INC.

United Wholesale Druggists of Pittsburgh, Inc., registered with the SEC 4,000 shares no par common stock

Address—6543 Penn Ave., Pittsburgh Pa.

Business—Incorporated in Delaware on April 28, 1941, to engage in business of selling drug store merchandise

Underwriting—None

Offering—The 4,000 shares of common stock will be sold by the company direct to (exclusively) retail druggists, at $50 per share

Proceeds—Will be used for purchase of equipment, and for working capital

Registration Statement No. 2-4818 Form A-2. (8-22-41)

Effective—Oct 7, 1941 at 11 A. M., E.S.T

VIRGINIA LAND CO.

Virginia Land Co. registered warranty deeds representing interests in oil and gas lands in the Everglades, Florida, about 50 miles west of Miami

Address—Theatre Building, Coral Gables Dade County, Florida

Underwriters—None

Offering—Interests will be sold to the public at prices from $20 per acre up to $150 per acre

Proceeds — For development of lands purchase of equipment, and working capital

Registration Statement No. 2-4767. Form S-10 (5-23-41)

Effective—Under notice of deficiency 4:45 P.M., E.S.T., Sept. 21, 1941.

SEC Announces Its Acceleration Policy

The Securities and Exchange Commission on Dec. 6 issued a statement of its general policy regarding requests for acceleration of the effective date of registration of securities on national securities exchanges under the discretionary authority given it by Section 12 (d) of the Securities Exchange Act of 1934 It was stated that requests for acceleration of registration will be considered in cases where, in the Commission's opinion, adequate and reasonable current information concerning the issuer has already been filed with the Commission and made available to the public. However, in passing upon such requests, the Commission will consider certain additional factors, such as the adequacy of disclosure in the instant application, the distribution of the issuer's securities, and its compliance with the requirements of other regulatory statutes and authorities.

The Commission emphasized that where acceleration of the effective date is to be requested the application for registration should be filed early enough to allow at least 10 days for examination of the application and consideration of the request, and that acceleration should not be requested where the application can be filed sufficiently in advance to avoid the necessity therefor.

The text of the Commission's statement follows:

Section 12 (d) of the Securities Exchange Act of 1934 confers upon the SEC discretionary authority to accelerate the effective date of registration of securities for which applications for registration are filed under Section 12 (b) and (c). The Commission's general policy regarding requests for acceleration will be as follows:

The Commission will consider requests for acceleration of the effective date of registration of securities in cases where, in its opinion, adequate and reasonably current information concerning the issuer has previously been filed and made available to the general public under any Act administered by the Commission. However, in passing upon requests for acceleration the Commission will also consider the following additional factors:

(a) The adequacy of disclosure in the application for registration and its general compliance with the requirements of the Act and the rules and regulations thereunder;

(b) The distribution of the securities being registered or the distribution of other securities related thereto;

(c) The operation of the exchange's trading mechanism in relation to the date on which effective registration is requested;

(d) Compliance with the registration requirements of the Securities Act of 1933;

(e) Any other factors pertinent to the particular case, such as required stockholder approval; qualification under applicable State "Blue-sky" laws; authorization by appropriate State and Federal agencies having jurisdiction; Court proceedings; and similar matters connected with the securities being registered or with other securities related thereto.

Requests for acceleration of the effective date of registration of securities may be made either by the registrant or its authorized representatives or by the exchange on which registration is sought. Every request should be in writing and should state the grounds upon which it is based and the approximate date on which effective registration is desired.

While the Commission will cooperate with registrants and with exchanges by acting upon requests for acceleration as promptly as possible, consistent with the public interest and the protection of investors, applications for registration should be filed early enough to allow at least 10 days for examination of the application and consideration of the request for acceleration by the Commission.

Wherever applications can be filed sufficiently in advance to permit registration to become effective in the ordinary course, requests for acceleration should not be made.

R. G. Bulkley Now With Harris, Upham In Denver

DENVER, COLO.—Ralph G. Bulkley, President of R. G. Bulkley & Co., has become associated with Harris, Upham & Co., members of the New York Stock Exchange, in their Denver office, 828 17th Street. R. G. Bulkley & Co. has discontinued the purchase and sale of securities.

Laidlaw Co. To Add Noel, MacLean and Van Deventer

Laidlaw & Co., 26 Broadway, New York City, members of the New York Stock Exchange and other leading national exchanges, will admit Daniel E. MacLean, Louis W. Noel and William F. Van Deventer to partnership in the firm on Jan. 2, 1942.

Max Ibers With Schultz

Max Ibers has become associated with L. J. Schultz & Co., 76 Beaver Street, New York City. Mr. Ibers was formerly with Quincy Cass Associates in Los Angeles.

R. W. Pressprich To Admit J. Clapp, Jr.

John J. Clapp, Jr., manager of the Municipal department for R. W. Pressprich & Co., 68 William Street, New York City, members of the New York Stock Exchange, will be admitted to partnership in the firm on Jan. 1, 1942.

Bond Club Hears Wriston

Dr. Henry M. Wriston, President of Brown University, and author of "Prepare for Peace," was guest of honor and principal speaker at the Bond Club of New York luncheon on Dec. 17. The United States, Dr. Wriston said, now finds itself united, but to maintain this unity a "new quality of unity must come into the American life. It must be a unity founded upon commonly accepted political and social premises which are positive rather than negative. When the external pressure is destroyed, only internal cohesion can preserve our unity. . . ."

True democracy, the faith in the individual, simplification of government, limiting its regulations, and freeing business and enterprise from its burdens, will be our salvation, said Dr. Wriston, closing. "If democracy is worth fighting on all the continents of the earth to defend, it is worth a struggle to protect it here. That faith is the way to national unity; it is the path to peace."

G. H. Simpson Jr. Now With Lewis And Hall

(Special to The Financial Chronicle)

GREENSBORO, N. C.—Guy H. Simpson, Jr., has become associated with Lewis and Hall, Jefferson Building. Mr. Simpson was formerly an officer of First Securities Corporation of Durham, making his headquarters in Greensboro, and prior thereto was local representative for Kirchofer and Arnold, Inc.

To Admit Letchworth

SAN FRANCISCO, CALIF.—William P. Letchworth will become a partner in Strassburger & Co., 133 Montgomery Street, members of the New York and San Francisco Stock Exchanges, as of Dec. 31st. Mr. Letchworth has been connected with the firm for some time as manager of the investment department.

C. Hoyt Will Admit Cale

B. F. Hobart Cale will be admitted to partnership in Colgate Hoyt & Co., 14 Wall Street, New York City, on Jan. 1, 1942.

Our Reporter On "Governments"

The Government bond market has been and is acting beautifully. . . . . In large part the way in which it has been controlled since the outbreak of the war. . . . Controlled not so much by official action—outright buying is only one part of the picture. . . . But by "gentlemen's agreements" among the big holders, the banks. . . . And by psychological stimulants. . . . And by appeals to patriotism. . . . And by shrewd handling of the New York dealers, "allowing them to take care of as much of the market as they wish." . . .

Objectively speaking, it has been technically an extraordinarily good job. . . . And that leads to the conclusion that the Treasury and/or the Federal Reserve System will continue to manage the market in a way designed to inspire confidence among investors, present and potential. . . . And that leads to the obvious conclusion that despite the world-wide war:

(1) Interest rates will remain low;

(2) The market will remain around these levels, possibly fluctuate within a point of today's prices . . .

Comments

Here are some of the comments of leading dealers, experts on the U. S. Government bond mart. . . . They represent opinions gathered during the first week of warfare—the week when one would ordinarily expect the greatest movements in prices and the most disturbance:

"We expect the Treasury and the Federal Reserve Banks to continue a close watch on all prices and to give whatever support is necessary to maintain current levels." . . .

"There is a definite drive on to keep the new 2½s and 2s at or above par. The bonds may slip below now and then, but even that is unlikely at the moment. And we feel the 2½s of 72/67 at 100 represent the market's 'stabilization point.'" . . .

"So far, the volume of liquidation has been small. The number of 25, 50 and 100 bond orders, however, has been comparatively large, indicating selling by stock exchange houses, individuals, trust accounts, country banks, etc. The buying has come from a few major banks and insurance companies. The Government's buying has been restricted to the new issues and Treasury bills."

"Our confidence is greater than before, for we have just seen how easily the market can be maintained. The ease with which the Treasury and Federal Reserve held the market this time is the result of the experience the agencies obtained in September, 1939 and in the spring of 1940." . . .

"We feel it is unpatriotic to hit the market with short-selling or large-scale liquidation now. Our firm will not sell Government bonds short from now on." (This is a particularly important observation, suggesting the development of a psychological attitude of vital significance to the market.)

Control

So far, the market has needed mighty little support, because of the fact that liquidation has been comparatively small and because of the fact that most dealers and investors are fully aware of the control powers of the Government. . . . That second point is the most important, too. . . .

The chances are the Treasury and Federal Reserve System will continue taking care of any undesirable declines on their own. . . . They have plenty of power, plenty of leeway. . . . Just the Treasury's investment accounts could handle plenty of selling. . . . Then there's the open market committee of the Reserve. . . . And there's that psychological angle—which can't be stressed enough. . . .

But just in case additional support were necessary, there would be the Stabilization Fund. . . . Only $200,000,000 of this $2,000,000,000 fund is in use in the revolving fund. . . . The $1,800,000,000 balance still is in safekeeping at the Treasury. . . . And this fund, under the 1934 law creating it, can buy and sell Governments when "in the public interest." . . .

Add to this direct support the indirect control that may be tendered by changes in reserve requirements, in the gold policy, etc., and you have a general idea of the power of the Government to keep prices and interest rates where they are. . . .

At his press conference, Secretary Morgenthau answered a question about continuing support with this statement, "I don't know, but if necessary, we will" . . .

He continued: "We are standing there ready to buy and keep the market orderly and demonstrate that there is plenty of confidence around." . . .

Study those comments. . . . Then try to visualize a market down three to five points. . . . Just try to imagine it as long as the Government feels the way it does about stable prices and as long as the need for stable prices is so great. . . .

Story is, so far the two agencies have restricted their buying to the new 2½s and 2s—to absorb the sales of free riders and scared "little fellows." . . .

Reserve Requirements

This may be premature, but this column hereby goes on record with the prediction that reserve requirements of member banks will be lowered in the relatively near future. . . .

At the moment, the need for lowering requirements—and thereby increasing excess reserves and the ability of the banks to absorb Government obligations — doesn't appear pressing at all. . . . But the need may become so. . . . The feeling is likely to be that a slight decrease in requirements would bring back confidence in the continuing stability of prices more rapidly than almost any other move. . . . And there's a chance that this move may be dictated by some sudden decline in prices due to lack of buying on the part of the big commercial banks. . . .

Excess reserves total around $3,840,000,000 for the country as a whole now. . . . Seems a big figure but the division of surplus funds isn't so good. . . . In New York, excess funds total only $1,070,000,000. . . .

The Outlook

The commercial banks in New York will continue operating under the gentlemen's agreement, arranged when England and Germany clashed in the fall of 1939. . . . . The agreement has been working beautifully. . . . In the first three days of the war, not only did the New York banks not dump bonds overboard, but they also bought $38,000,000 additional Treasury bonds, $4,000,000 Treasury bills (the one type of issue supported by the Reserve) and $20,000,000 Government - guaranteed securities. . . .

There will be tremendous increases in sales of defense bonds and an accompanying intensification of the defense bond drive. . . . Chances are the Treasury's sales of these will double in the next few months. . . .

The refunding program probably will go through as scheduled. . . . In January. . . .

Open market borrowing, though, may be deferred for a while. . . . And with money flowing in from sales of defense bonds, this is quite satisfactory. . . .

Insurance company buying is becoming and will become more important. . . . Distribution of Government securities among insurance companies is admittedly a desirable thing and the insurance companies are expected to begin buying on a large scale soon. . . .

To capsulize it: The outlook is good. . . .

N. Y. State Suspends Hours Restrictions In War Industries

All laws of the New York State imposing restrictions on the hours of labor permitted were suspended on Dec. 12 in order to comply with President Roosevelt's call for a speed-up of production in defense industries to a seven-day week. This action was taken by Governor Lehman following a conference in Albany with legislative and labor leaders. The Governor called the conference after receiving a telegram from Secretary of War Stimson and Acting Secretary of the Navy Forrestal urging that he use his "authority to prevent such peacetime restrictions from interfering in any way with maximum possible production." Gov. Lehman said the representatives of labor voiced an understanding of the crisis and the determination of wage earnings to increase production to the limit.

The President called for a seven-day week in war industries in his radio talk to the Nation on Dec. 9 (See issue of Dec. 11, page 1457).

President Roosevelt said at his press conference on Dec. 12 that he had no plans for changing the basic 40-hour week provided for in the Wage-Hour Law. He said that time-and-a-half must continue to be paid for all work hours in excess of 40.

William S. Knudsen, Director-General of the Office of Production Management, said on Dec. 10 that the wartime production program demands a 168-hour work week for plants producing tanks, ships, anti-aircraft guns, airplanes and munitions. With regard to the conference Gov. Lehman said:

> Every one expressed a desire to proceed immediately along the lines proposed by the President. The representatives of labor voiced an understanding of the crisis and the determination of the wage earners to increase production to the limit.
>
> It was agreed by all that any employer engaged in war production may apply to the State Department of Labor for authority to operate on a seven-day week, to employ women on a three-shift basis and to waive other provisions of law restricting hours of employment. The Department of Labor will immediately establish a special unit to give prompt action on applications coming from employers engaged in war production.

Declaring that the Governor's Conference with members of the Legislature, labor leaders and herself on Dec. 12 on War and Navy Department requests for a 24 hour, 7-day week war production was not a waiver of the Labor Laws, State Industrial Commissioner Frieda S. Miller on Dec. 15 announced the first formulation of procedures to aid primary and sub-contractors working on war orders to secure, where necessary, certain relaxations in hours regulations embodied in the State Labor Laws. Her announcement was made after Commissioner Miller had conferred with William J. Picard, Chairman of the Board of Standards and Appeals, said the announcement by the State Department of Labor, which added:

> Permission under Section 161 of the Labor Law to work 7 days a week has habitually been considered by the Board of Standards and Appeals and a number of such variations have been allowed, according to Chairman Picard. The Board will continue to act on such petitions as heretofore.

"The new procedures have been designed to help management and labor increase war production to the limit," Commissioner Miller explained. She further said:

> Where legal restrictions can be shown to interfere with maximum production, applications will be considered for permission to work women seven days a week or on a three-shift basis or to waive other provisions of law restricting their hours of employment."

Final Edition

THURSDAY

In 2 Sections – Section 2

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Secretary Of The Navy Knox Makes Report On Damage Done In Attack On Pearl Harbor

Secretary of the Navy Frank Knox revealed on Dec. 15, after a personal inspection trip to Hawaii, that the surprise Japanese attack on Pearl Harbor on Dec. 7 failed in its main purpose, which was "to knock out the United States before the war began." Disclosing that the Army and Navy had suffered severe losses, Secretary Knox announced that the United States forces "were not on the alert" and that an investigation would be made. He reported that there were almost 3,000 killed in the attack, made up of 2,729 Naval casualties, 168 Army dead and about 50 civilians. The Navy ship losses, the Secretary asserted, included the sinkings of the battleship Arizona, three destroyers, an old battleship which had been converted into a training ship, and one minelayer, and damage to several other vessels. The Army suffered severe losses in aircraft and hangars, he added. With regard to known Japanese material losses, Secretary Knox said these consisted of three submarines and 41 planes.

He supplemented his prepared statement, given out at a special press conference, by answering questions put to him. In the course of these replies, Secretary Knox said that Japan was aided in Hawaii by the "most effective fifth column work in this war, with the exception of Norway." He added that the attackers had "most perfect information" as to the position of the fleet. The Secretary also told in some detail of many individual actions of outstanding valor.

Following is the Secretary's prepared statement of the general facts concerning the attack:

My inspection trip to the island enables me to present the general facts covering the attack which hitherto have been unavailable.

1. The essential fact is that the Japanese purpose was to knock out the United States before the war began. This was

(Continued on page 1576)

On The Foreign Front

European Stock Markets

Recovery was the rule in recent days on stock markets in the principal European financial centers, but the gains were far from universal. The shock of the Japanese entry into war with Britain and the United States reverberated in many ways on the London market. Little news is available of the immediate trends on Continental exchanges, but buying as a hedge against inflationary developments appears still to be in progress.

Prices in London rallied sharply in the latter half of last week, from the depressed levels occasioned by news of the war developments in the Far East. The relatively small loss of life in the sinkings of the Prince of Wales and the Repulse heartened observers in the British market. The good tone was continued, as a general rule, during the current week. When it appeared, however, that a real threat to Singapore and Hong Kong exists, selling of tin, tea, rubber and similar shares took place. The Far Eastern issues were especially weak yesterday.

In French markets the general upward trend has been somewhat modified by increased taxes on transactions in securities. Drastic regulations on transfers of securities also are noted in Vichy reports. Sellers are said to be scarce on the Lyons and other French markets, and not many deals are effected despite the insistent demand. Reports of trading on Berlin, Amsterdam and similar markets have been unavailable, since war declarations were exchanged by Germany and the United States.

World War II

Rapid exchanges of war declarations now have involved the United States fully in warfare, not only with Japan but also with Germany, Italy and the other members of the Axis bloc of nations, making the current conflict in every sense a War of the World. The inevitable conjunction of the European and Asiatic wars, with America in the middle, came to pass last Thursday, when the Italian and German governments declared themselves at war with the United States, and Congress immediately adopted identic resolutions recognizing the existence of a state of war with the leading Axis countries. Numerous additional war declarations have ranged a score of countries on either side.

In World War II the task of what Prime Minister Churchill

(Continued on page 1558)

GENERAL CONTENTS

THE FINANCIAL SITUATION

Some ten days have now elapsed since the treacherous attack of the Japanese upon the United States. The facts concerning that attack, as they have been bit by bit disclosed during the interval, have not lessened the sense of outrage initially felt by the American people. Further attacks upon the Pacific outposts of this country have likewise served to keep the people aroused to a fever pitch. Impassioned oratory and almost endless excoriation in the press are doubtless in part the result and in part the cause of the state of feeling that now exists throughout the length and breadth of the land. It is, of course, well that we, as a people, are aroused and in a serious mood. We have a stupendous task ahead of us.

It is, however, perhaps not too soon to utter a warning. Wars are not won these days by anger, hatred or even national unity. There must be careful planning, painstaking coordination and intelligent, not to say utterly cold-blooded, concentration of effort upon getting those things done which are essential to victory, and an important part of that planning, that coordination, and that concentration of effort consists in putting aside all those things which impede progress. It was natural enough, without question, for the first week or two after this outbreak to be filled with emotionalism, with protestations of patriotism, with avowals of cooperation, with a tendency to support without question any, or almost any, suggestion emanating from official sources—and with grandiose proposals of all sorts. The time has now come, however, for us to get down to the real work awaiting us.

Immunity To Slogans

One of the first prerequisites so far as the public is concerned is for us all to grow immune to slogans and to become wholly uninterested in gestures. A constructively critical attitude is essential at any time in a democracy,

(Continued on page 1555)

Some Things To Think About

The production of arms is not enough; the arms must be delivered to the fighting men at the front. The quantities of materials to be transported are enormous and they must be carried to fighting forces all over the world. Supplies must be delivered over many thousands of miles of water—to Britain, to Suez, to Burma, to the Arctic Ocean, to Siberia, to the Persian Gulf. No supply problem of this magnitude has ever been encountered before.

Hundreds of ships carrying airplanes and guns and food and machines and other cargoes are required for each supply route. Some indication of the work to be done and of the transportation problems involved is given by the quantities which can be included in a typical loading of a small cargo steamer—24 pursuit planes, 12 medium tanks, eight light tanks, 140 tons of ammunition, 200 trucks, 1,000 drums of petroleum products, 170 tons of barbed wire, 200 tons of explosives, 100 tons of chemicals and 500 tons of metals.

***The service of supply means more than merely loading and dispatching vessels. It means the construction of a vast new fleet—"the bridge of ships"—to replace losses and to furnish the increased tonnage needed for carrying the mountains of material which will pile up when the production program attains its full stride. It means repairing and refitting damaged vessels, installing protective equipment and additional gear on many ships, and constructing new facilities in ports of debarkation.*—The President in his third report on Lease-Lend Aid.**

This admirable account of the difficulties which must be faced in making lease-lend aid effective should be instructive to those who have not taken the trouble to give the subject careful thought as, we fear, a good many have not.

These same problems many times multiplied, of course, arise in transporting and supporting substantial bodies of our own troops over long distances.

Let these facts not be overlooked in appraising our efforts in the Far East, for example, and let them not be forgotten when proposals for raising five or six million men armies are under consideration.

Treasury Takes Over Japanese Enterprises

Secretary of the Treasury Morgenthau announced on Dec. 8 that Treasury agents had taken custody of the premises of Japanese banking and business enterprises throughout the United States. Treasury personnel, who included, among others, bank examiners, Customs officers, and Treasury investigators, had special instructions to prevent the access of all persons to the premises of such enterprises and to prevent the destruction or removal of their books, records and other property. The Treasury announcement further stated:

> The Secretary arranged the precautionary measure through telegrams yesterday to the Presidents of all Federal Reserve Banks, whom he requested to obtain the cooperation of local police wherever necessary to carry out his instructions.
>
> Secretary Morgenthau said that the presence of Treasury Department personnel had forestalled numerous attempts to remove securities and other valuable documents from the premises of Japanese enterprises. In one instance in San Francisco, Japanese nationals were prevented from removing from a Japanese company securities estimated as having a value of $40,000 or more.
>
> The Secretary supplemented his announcement by stating that any person, destroying, secreting, or altering any record, paper, or other document relating in any way to any property or transaction in which any blocked national, including a national of Japan, or a person acting for or on behalf of such a national, has any interest, is exposing himself to criminal prosecution, to a fine of $10,000, and to imprisonment for 10 years. Any person aiding in, abetting, advising, or conspiring in the destruction, secreting, or alteration of any such document is similarly subject to these criminal penalties.

Acting in cooperation with the Treasury Department, William R. White, New York State Superintendent of Banks, on Dec. 8 assumed possession of the business and property of all agencies of Japanese banks in New York City. The State Banking Department, it is announced, will exercise a protective custody over the records and assets of the agencies until proper arrangements are made to transfer control to duly constituted Federal authority. The agencies in question include those of Yokohama Specie Bank, Limited; The Sumitomo Bank, Limited; Mitsubishi Bank, Limited; Mitsui Bank, Limited; Bank of Chosen, and Bank of Taiwan, Limited.

Funds For Purchase Of Costa Rica Coupons

J. & W. Seligman & Co. announced Dec. 16 that funds are available for the purchase, in accordance with the terms of the offer of the Republic of Costa Rica, dated March 20, 1939, of the coupons dated Nov. 1, 1936, to Nov. 1, 1941, inclusive, appurtenant to the Republic's 7% bonds of 1926, due 1951, and 5% funding bonds of 1932, due 1951. Such purchases will be made at the office of J. & W. Seligman & Co., 65 Broadway, New York City, until June 30, 1942, when the 1939 offer expires in so far as the purchase of coupons in New York is concerned.

Editorial—

Economic Warfare

Proper appraisal of the economic factors of the war in which the United States now is fully engaged is one of the more important tasks that confront the country. In this connection there is an evident tendency in official and other circles to emphasize the vast strength of the British Empire and the Americas, and to disparage the resources of the Axis countries. This is all very well up to a certain point, but a degree of caution is suggested by past errors.

In the military sense we appear to have under-rated the enemy, which is the gravest of strategical mistakes. The military commentator of the New York "Times" states flatly that "this Government, our intelligence service, the Navy, the Army and the nation have grossly underestimated the Japanese." If this sweeping underestimation is paralleled in the economic sphere, not only with respect to Japan but also to the European members of the Axis, extraordinary harm may follow.

There is, obviously, the danger that a fatuous assumption of economic invincibility will lead to a sort of "Maginot mentality" among the English-speaking peoples. In the early months of this World War, as we now know, Great Britain looked to the economic aspect for defeat of Germany and delayed perilously the vitally necessary expansion of aerial and land forces. The military experts in London unquestionably knew better, but the sense of danger among the British people was lulled.

It was the custom at that time to point to the poverty of the German Reich and to an assumed lack of oil as the factors that would defeat the Nazis in the end. Persuasive arguments were advanced by numberless "experts" that the Reich could not fight a major war, owing to such limitations. Unfortunately the findings now are known to have been nothing more than wishful thinking. A few observers pointed out that the German militarists, with their long experience and their tradition of thorough preparation, would hardly have ventured into conflict without assuring their supplies. But such voices were disregarded.

In the delicate period of negotiation and of strategic moves which preceded the open clash between Japan and the United States, the economic weapon was employed bluntly by the United States, Great Britain and the Netherlands East Indies. Severe economic sanctions were imposed upon Japan, last Summer, presumably after careful calculation of the effects. The gamble for high stakes was based upon the Japanese need to import oil, iron and other war materials.

Perhaps it will turn out in the end that the calculations were basically correct. It is bitterly evident, however, that the economic pressure, instead of forcing Japan to renounce her Axis ties, actually contributed to precipitation of the war. This particular measure "short of war" turned out to be the prelude to the treacherous attack upon Hawaii, the Philippines and Malaya. Warfare, born perhaps of desperation, was preferred by the Japanese military clique.

Immediately upon the outbreak of hostilities, economic "experts" of every sort rushed to the fore and once again began to demonstrate that an American victory is inevitable, owing to the superior resources of the United States. It is a melancholy fact, moreover, that some of those who were saying only a few weeks ago that Japan would be eliminated promptly in a military encounter now are shouting assurances of final victory on the basis of our obvious economic supremacy. Vast statistical compilations are adduced to show the preponderance of American and British Empire steel production capacity, oil resources, railroad mileage, telephones in use and other items galore.

There is a disconcerting similarity in all this to the sort of soothing syrup that was purveyed so liberally with respect to Germany, at the outset of the European war. In England the lesson has been well learned, it appears, for the Ministry of Economic Warfare in London places no mean estimate upon the Japanese economic resources.

It may well be that economic aspects will decide the conflict in the end. But the over-simplified comparisons of Anglo-American and Axis resources are a snare and a delusion, for the degree in which the resources are put to effective military use may be far more important. The question of morale enters into all this, and there is no disputing the importance of morale. It is no contribution to morale, however, to foster the notion of an easy defeat of the enemy on the economic battlefront, when military matters require major attention.

Editorial—

On Seeing It Through

The United States is at war with Japan, with Italy, with Germany and the rest of the Axis adherents. The fighting, anticipated by all sensible men, dreaded by many, and desired by very few has become actual. It has begun badly, very badly indeed, with losses of lives that can never be recompensed, with losses of national property in implements of war that establish limitations upon efficiency offensive and defensive. Japan acted very badly indeed, concealing its hostile intentions behind fraudulent diplomacy which pretended to seek peace, while the declaration of war was delayed in transmission so that bombs dropped from the air might surprise an unsuspecting and unready adversary. Admiral Kichisaburo Nomura, Japanese Ambassador, and Saburo Kurusu, special envoy of that country, called at the State Department in Washington, by special appointment with Secretary Hull, at 2:20 p. m. on Sunday, December 7, Eastern Standard Time. Their mission, ostensibly, was one possible only in a time of peace. Just one hour and a quarter earlier, Japanese bombs had been dropped at Pearl Harbor and combat and destruction at that moment were raging within the Hawaiian possessions of the United States. At Tokyo, precisely one hour and forty minutes later, by the same reckoning of time, the self-dishonored Japanese Imperial headquarters issued its declaration of war upon this country.

The shameful story is not unique: "Joab said to Amasa, 'Art thou in health my brother?'" and, while he spoke, "took Amasa by the beard with his right hand to kiss him." Amasa was innocent and without suspicion, like Secretaries Stimson and Knox, and perhaps some of the naval and military commanders upon the Pacific for the record continues:—

> "But Amasa took no heed to the sword that was in Joab's hand, so he smote him therewith in the fifth rib, and shed out his bowels to the ground, and struck him not again, and he died."

Japan was not only treacherous and base. She was indiscreet, which from some points of view may seem worse. It was that recoiling type of blunder which is not only a crime in itself but worse than crime in its consequences. It has had, it will have reverberations, long and loud and distant, but approaching ever nearer and nearer to the international marauder and miscreant until the end. It will be necessary for America to see it through. Unready perhaps in some things, America is ready for that resolution. It is made!

Some Comparisons

No one in the United States ought for a moment to doubt the nature of the ultimate ending. Japan, a self-styled empire, has fewer than 90,000,000 inhabitants occupying an Asiatic archipelago, stretching between Kamchatka and Malacca, the two arms with which Asia reaches out into the Pacific Ocean, and a small portion (1,436 square miles) of the Liaotung Peninsula. From north to south, the chain extends more than 2,000 miles, including 1,744 islands (not counting innumerable small ones having coast-lines of less than 2.4 miles), with an aggregate coast-line of 13,449 miles, and a combined area of but 261,815 square miles. This area, slightly less than that of Texas and not four times that of New England, is rugged, subject to frequent earthquakes (17,750 shocks of that origin were recorded during the thirteen years ending with 1897) many of which are very severe (that of January 9, 1923, at Sagami Bay destroyed 558,049 houses and caused 91,344 deaths in the vicinities of Tokyo and Yokohama), is always under threat of violent volcanic action, and is but scantily endowed with mineral resources, although it has some deposits of coal, iron, copper and of precious metals. Within this narrow area there were, at the latest census, in 1925, 84,511,003 inhabitants, making an average density of 323 per square mile. Before the annexations, which began with Formosa and the Pescadores, after the war with China of 1894-95, the area was 147,327 square miles. In 1925 this old Japan had 59,736,822 inhabitants, giving an average density of 405 per square mile. On approximately one-fourth of Japan's area, New England maintains about one-tenth the number of Japan's population, that is, 8,431,684 inhabitants upon 66,924 square miles, an average density of 126 per square mile. Neither Japan or New England is economically self-contained in the sense of producing, or having capacity to produce, either the raw materials for its industries or the food required by its population. But standards of living in New England are very high, in Japan they are so very low as to be inconceivable as well as intolerable to any American. It is inconceivable that the United States, with 3,026,789 square miles within its continental area, exclusive of Alaska; richly endowed in natural resources of fertile soil, salubrious climate, and great and widely diver-

sified mineral deposits; with 131,669,275 inhabitants in that area, and 18,961,445 more in its non-adjacent and insular possessions; morally backed and to some extent physically supported by all the Americas; should have insuperable difficulty in overwhelming Japan.

That is, with singleness of purpose in this country. With such singleness of purpose not even the head-start treacherously obtained by Japan could much delay disaster to that audacious upstart. The ignoble Japanese attacks upon Hawaii, and the Philippines, on December 7, instantaneously unified and consolidated the public sentiment of the entire United States in grim determination to prevail as completely and as promptly over Japan as conditions will permit, regardless of difficulties, sacrifices, and costs. Upon that determination difference of opinion simply does not exist. Towards that as a unit of exclusive purpose this Nation, in its entirety, is prepared at once to march forward as one man, each attempting his utmost and pausing at no sacrifice. If that is what the Administration desires, unity, resolution, strength, endurance, confidence, are all here, impregnable and sufficient to overflowing.

Unity With Independence

Unity upon a great and single objective does not, of course, mean uninformed and unquestioning submission to all the elements of authority claimed or solicited by a titular leadership that might conceivably, in the future, if it has not in the past, ignore the basic principal that its Government is "for the people," presumably the people of the United States, and "of the people," no more than it is "by the people." Questionings as to all those elements and items of Federal policy that antedated the declarations of war have been adjourned by unanimous consent and will remain adjourned until an ultimate day of reckoning that is unlikely to come until the war has successfully terminated. Not so as to the conduct and objectives of the war that is in progress and while both remain subject to consideration and correction to the extent that they are improvident or unacceptable. An independent, intelligent, enlightened, and confident citizenship, clothed in its dignity as the final depositary of the sovereign power, is incapable of conceding merely mechanical unity in support of policies framed in secrecy and in the light of conditions and circumstances that are unrevealed though relevant and material to the determinations in which it is asked to acquiesce. The first conditions, therefore, of giving effectiveness and permanence to the new unity which attack from without has created, frankness in disclosure of all the facts that, as they develop, must control policies and measures, and at least of the outlines and limitations of the measures that are considered, in the light of the revealed facts, to be appropriate.

No Arbitrariness At Home

Government "by the people" not only requires widespread public comprehension of the facts conditioning public policies and of the policies proposed in dealing with those conditions, but it leaves no place whatever for arbitrary governmental action. Unity in acceptance of the defeat of Japan as the direct and uncompromisable objective, involves also unity in the acceptance of sacrifices and in the support of the policies contributing the utmost to the achievement of that objective. But not blind nor unquestioning acceptance of any sacrifices or support of any policies that officers of Government temporarily entrusted with the attributes of democratic leadership may determine upon. The democracy that must democratically share the burdens must equally share in the definition of the sacrifices and the formulation of the policies of which they become a part.

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and most of all in times like these. Otherwise mere impulsiveness and popular clamor may do quite as much to delay victory as the enemy himself. We think the beginnings of danger from this source are already to be observed. One of the first proposals placed before Congress after the attack upon Pearl Harbor, for example, was designed to extend registrations under the draft law to practically all male citizens, in one form embracing immature youth and men far beyond the age at which it would be possible for them to take active parts effectively in modern warfare. Responsibility for military service is called for up to the age of 45 years, despite the fact the army has found that men much younger do not readily become effective soldiers. Such suggestion has the usual earmarks of good political strategy—an "all-out" step which would apply equally to all men, a typically "democratic" procedure, and the like. Such it may be, but the thoughtful man can scarcely fail to wonder if this procedure would not entail a great deal of wasted effort which could be far better employed where it would pay much higher dividends in preparation for victory.

If the proposal is a prelude, as it seems to be, to a program for raising an army comparable, when related to the population of the United States, to those existing on the Continent of Europe or, for that matter, in Japan, the question as to whether we are not in danger of wasting our substance becomes the more acute. It is very difficult to conceive of any way in which we, situated as we are in the existing or foreseeable circumstances, could make effective use of an army, say of five or six million men, as is now commonly spoken of in some quarters as the ultimate "goal." Certainly there are much more urgent and practicable contributions which we could make to the common cause, so far as any one can now foresee. Fully to equip the army we already have in any reasonably short period of time without neglecting much more urgent needs is a task that will demand the best that is in us. It can scarcely be the part of wisdom further to deplete our labor force by withdrawing large numbers of men into the army at any near future date. Why then all this haste not to say hysteria about extending draft registration and obligations to military service—particularly in view of the flood of applicants for enlistment? It seems to us quite clear that we have many other and far more urgent things to do—now.

The Seven-Day Week

Then there is the seven-day week, continuous operations slogan. To be sure there are places and plants in our industrial organizations where intensified operations of this sort would result in substantially enlarged production. Where this is the case, steps of the sort in question should, of course, be promptly taken. There are, however, many circumstances in which such a plan is for one reason or another not feasible, and where an attempt to install it would not warrant its adoption. Our supply of skilled labor is not inexhaustible. In some instances it is now nearly, if not quite exhausted. There has been of late years entirely too much sympathy lost on men who work more than forty hours per week, or who formerly worked for longer periods. For many types of work forty hours is unquestionably an uneconomically short week. There are also many where a man's maximum production is achieved at much less than 56 hours.

Under the existing law—which the President has said must continue in force—the cost of production of any article upon which men work substantially more than forty hours per week is very high. This war will be an exceedingly expensive one. We can not afford not to stop long enough to weigh the cost against the envisaged advantages. Certainly we can not expect any enterprise deliberately to send itself to the bankruptcy courts for the sake of the country. It would not be patriotism in any event, since continuance in operation is essential. There should be reason in all things, and war is no exception. Industrial executives know well enough where continuous operations are feasible and where they are not. Let there be no disposition on the part of the politicians to inject themselves and their judgments into situations where they can only do harm, and above all let there be no popular hysteria which makes any man or any enterprise "unpatriotic" because it does not forthwith operate upon a seven day, three shift basis. What is wanted is maximum production, not merely the opportunity to say that we are working as hard or as long as some other country.

It is strange that in all the resolve expressed during the past week or ten days to out-produce the world in terms of military equipment, there should have been no determined demand that labor-wasting and money-wasting WPA and other kindred organizations be forthwith liquidated. It is wholly incongruous now-a-days to come upon streets torn up for no observable good reason with hundreds of men plying pick axes in leisurely fashion surrounded by signs reading *"A WPA Project. Sponsored by The City of New York"* (or some other political unit). Yet one still finds them all around him. Not only that, but many other organizations serving in no conceivable way to promote armament or defense are still active throughout the country. Are such things to be permitted to proceed, forgotten in the natural and laudable pre-occupation with our war effort? We fear that precisely that will occur unless the American people themselves reach a stage of realism in their righteous anger which peremptorily demands their discontinuance.

Government Of Able Men

There is another realization which the American people appear to be slow in reaching. It is this. We shall be fully successful in this gigantic endeavor upon which we have

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Failures Below 1940

Business failures in November showed a slight increase over September, contrary to the more usual tendency to decline at this season, but the number of casualties in the month was substantially under the corresponding month of 1940. The same can be said for liabilities involved which, except for September, were the smallest in over 20 years. Last month's failures totaled 842 and involved $9,197,000 liabilities in comparison with 809 involving $7,333,000 in October and 1,024 involving $16,572,000 in November, 1940. All the business groups into which the failures are divided had fewer failures last month than they had in the corresponding month of 1940 and the wholesale and construction groups also had fewer than in October. The most considerable decline from a year ago was in the retail division where the number of insolvencies dropped to 529 with $3,472,000 liabilities from 646 with $4,699,000 last year. Manufacturing casualties fell to 167 from $3,827,000 from 196 with $9,090,000 liabilities in November, 1940. Wholesale trade insolvencies decreased to 57, involving $832,000 from 89 involving $1,349,000 last year. In the construction group, 51 firms failed for $618,000 as compared with 53 for $838,000 a year ago. Commercial service insolvencies numbered 38 with $448,000 liabilities compared with 40 with $596,000 in November, 1940.

From a geographical standpoint the improvement over a year ago was fairly widespread, only the Boston and Kansas City Federal Reserve Districts showing increases; as compared with October the trend was not so uniform, five districts reporting decreases and seven, increases.

SEC Changes In Rules

On Dec. 2, the Securities and Exchange Commission announced the adoption of a rule under the Investment Company Act of 1940 affording any employees' securities company which files an application for permanent exemption under Section 6 (b) of the Act a temporary exemption pending final determination of the application. The rule, which is known as Rule N-6B-1, is in effect a modification of Rule N-6C-3, adopted Nov. 1, 1940, which provided a similar temporary exemption for employees' securities companies filing applications prior to Nov. 5, 1940. The new rule becomes effective on Dec. 2, 1941, and Rule N-6C-3 is rescinded as of the same date.

The SEC on Dec. 9 announced the adoption of a minor amendment to Form T-1, which is the form for statements of eligibility and qualification filed under the Act by corporations designated to act as trustees of indentures to be qualified. The amendment is in the form of an instruction to item 10 which calls for the holdings of securities of underwriters by the trustee or its parents or subsidiaries. The amendment provides that the information need not be given as to any class where the trustee and its parents and subsidiaries own collectively not more than 1% of the class.

Curb Short Position

Total short position of stocks dealt in on the New York Curb Exchange for the month of November, 1941, reported as of Nov. 28, amounted to 10,591 shares as compared with 9,664 shares reported on Oct. 31 last, the Exchange announced on Dec. 9.

Four issues showed a short position of more than 500 shares. They were:

	Nov., 1941	Oct., 1941
American Gas & Electric Co. (com.)	1,146	1,096
Venezuelan Petroleum Co.	1,063	----
American Cyanamid Co. (B non-vot. com.)	697	1,032
Michigan Steel Tube Products Co. (com.)	500	----

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been willy-nilly launched only if the national government from the President to the humblest public servant is made as effective, as efficient, and as able to "get things done" as it is humanly possible to make it. That means, for one thing, that what in former times would have been called the President's "kitchen cabinet" of New Deal reformers and inter-meddlers must be sent home to earn their living "the hard way," and without undue ceremony or delay. It means furthermore that appointees to important posts who owe their positions to some quality other than their ability to get the right things done must be replaced by others of real ability. They are in the way now. Not only that. They in many instances have acquired records which can never inspire real confidence in the public, certainly not that part of the public upon which all of us now depend for our salvation. Their places must be filled with men chosen really, not ostensibly, without regard to party or other affiliations and certainly without reference to their attitude toward the President and his past policies. When this war is won, there will be enough time for that kind of politics.

Other Measures

A number of measures are now before Congress, or shortly will be, which concern the conduct of the war very really, if possibly somewhat indirectly. Among them are proposals which have to do with price control and taxation. There appears to be a tendency to suppose that bills heretofore generally condemned by thoughtful students of such matters now become wise as a result of the events of the past week or ten days. The assumption in many quarters appears to be that opposition in the past is to be laid to lack of patriotism or, at the least, want of realization of the seriousness of the situation by which this country was faced. Hence, it appears to be reasoned, now that it is plain to all that we have a gigantic task before us, all opposition should disappear, and any and all such measures rushed to the statute books as a manifestation of unity if for nothing else. This is an unworthy and highly dangerous line of reasoning. Both the Government and the rank and file must avoid it as if it were the plague. In some particulars possibly recent developments may alter the needs of the situation, but generally speaking, a half-baked price control measure, probably any sweeping price control measure, certainly one which places any official in a position of dictatorial control of prices, would be precisely as unwise now as it would have been before our guns went into action. Taxation which was unsound before is probably precisely as unwise now. Nothing is to be gained, and very much may be lost, by precipitate, unreasoning, ill-devised legislation on such subjects as these. These and similar problems require careful study—and a thoughtful relating to the paramount task of the day, victory at arms.

The precious unity of spirit now attained in the crisis may not long survive persistent unwillingness on the part of those in power to give, or to permit such vital issues to have, such consideration, and severe popular disappointment, damaging to morale, can scarcely fail to follow impulsive but unwise action even though supported and even demanded by the people at large. It is as yet too soon to determine conclusively how far the Administration is ready to proceed from this point on with an eye single to the prosecution of the war, but it is certainly not too soon to warn of the consequences of its failure to be ready to do so in a degree not yet fully observable. Neither is it too soon to call the attention of the people to the fact that they have not only the right, upon which they must insist, but the obligation to approach current problems with cool realism approximating that among our enemies, or to make the observation that in such manner and only in such manner shall we win this war in as short time and with as little sacrifice as may be.

The State Of Trade

Business activity shows no signs of abating, with most of the leading industries working at or near capacity. However, loadings of revenue freight for the week ended Dec. 6, were off 32,814 cars from the preceding week. Heavily offsetting this was the production of electric power, which rose to an all-time high in the same week, totaling 3,368,870,000 kilowatt hours, according to the Edison Institute. This compares with a previous peak in the Nov. 1 week of 3,335,538,000 kilowatt hours. Overall production of the steel industry will be at the rate of 97.9% of capacity, against 97.5% last week, the American Iron & Steel Institute reported today.

Automobile output this week is estimated by Ward's reports at 95,990 cars and trucks, compared with 92,205 last week and 131,175 last year at this time. Manufacturers are preparing most rapidly for immediately enlarged volume on armament output.

Department store sales rose 9% during the week of Dec. 9, and 12% during the four weeks ending on the same date compared with the respective periods last year, the Federal Reserve Board reports.

Analysis of reports from all parts of the country indicate that business is shaping itself rapidly, with relative calm, to full war footing, Dun & Bradstreet, Inc., reports. The reaction of trade to the outbreak of hostilities has been on the whole favorable, it was said.

However, one of the leading industries to be sharply and adversely affected is the automotive line. The automobile industry is preparing for probable complete suspension of passenger car production after Jan. 31.

Hard on the heels of last week's war measures lopping 25% off the December and 50% off the January quotas, warning has been received from a high Government source that an order to end output of passenger cars and light trucks on Jan. 31, is under consideration.

It is pointed out that far-reaching shifts are ahead in other industries. In wool textiles, for example, total output is expected to be needed by the armed services. Currently, military requirements take 40% of the output. Cotton will also be in heavy demand. It is reported that electrical appliances will also be hard hit.

Although changeovers to defense production in civilian industries are now likely to be pressed without regard for dislocations, overall industrial activity is not likely to be affected markedly through the first quarter of next year, informed observers state.

It is pointed out that a number of civilian industries which are most likely to be affected do not weigh heavily in the Federal Reserve Board index of industrial production. Consequently, even if production were halted completely it would affect the index by no more than 0.5 point, it is said. The Federal Reserve Board index of production is estimated to have reached 167% of the 1935-39 average during November. This month it is expected to rise to 169. It is believed the average during the first quarter will probably be at this level.

Although the number of workers involved in strikes shortly before the outbreak of the war with Japan was double that of World War days, now that war is here strikes are expected to be less serious than they were in 1917 and 1918.

Labor leaders have rushed forward with pledges of support for the Government. They promise that no strikes will be called during the war, and that they will cooperate with the President's plan for seven-day operation in war industries. In return, they ask that the Smith bill be shelved, and that industrial peace again be made dependent upon conciliation and voluntary abritration.

The Administration apparently feels labor is ready to do its share, for President Roosevelt has called a conference of industry and labor to weigh a program for preventing disruption of work. To most observers, it indicates the President believes industrial peace can be maintained without recourse to anti-strike legislation.

NAM Head Asks Fair Play On Labor Law

At the recent 46th annual Congress of American Industry of the National Association of Manufacturers, held in New York, the Directors of the Association elected William P. Witherow, President of the Blaw-Knox Co., Pittsburgh, and Chairman of the NAM National Defense Committee, as President for the coming year, succeeding Walter D. Fuller, President of the Curtis Publishing Co.

In his first public pronouncement as head of the NAM, Mr. Witherow, in a radio broadcast on Dec. 6, called for "a new; fair and equitable national labor relations policy" and demanded that such a policy be written into the law.

Mr. Witherow offered the following four-point program of action for business men in the present crisis:

> First, that no interest shall come between manufacturers and their duty toward their country. Secondly, that free enterprise shall be improved and preserved as best for us in both times of peace and times of defense. Thirdly, that manufacturers shall cooperate fully and willingly with Government and any and all groups of people whose ideals represent sound Americanism. And fourthly, that we shall approach all relationships and problems in a real spirit of fair play.

Supplementing the platform adopted on Dec. 4 (see issue of Dec. 11, page 1464), the industrialists on Dec. 5 adopted a series of resolutions calling for correction of the "fundamental iniquities" and "defects" of the Wagner Labor Relations Act and alteration of the Wage-Hour Act to "remove restrictions that are unnecessary for the maintenance of minimum wage standards and establishment of a basic work week."

The industrialists also adopted a resolution condemning proposals to amend the two Federal securities laws that have been "advanced by the Securities and Exchange Commission and by representatives of investment bankers," and declared that they would "add new burdens to American business."

Other resolutions urged a $2,000,000,000 cut in Federal nondefense expenditures, opposed the pending Rivers and Harbors Bill and the St. Lawrence waterway and Florida ship canal projects, urged measures to keep small manufacturing businesses alive through the defense emergency, deplored the "racketeering" in labor unions' "hot cargo" methods of preventing the movement of goods, and called for the postponement of any plans for extension of social security.

Foresee No Serious Security And Money Market Disturbances

Following meetings of financial leaders, held at the Federal Reserve Bank of New York on Dec. 8, it was announced that no serious disturbances to the money and security markets are to be anticipated as a result of the Japanese war. It was also stated that it was understood that should difficulties arise in the government bond market the monetary and credit authorities are ready to take care of them "to prevent disorderly trading or unwarranted price declines."

Two meetings were held at the Reserve Bank; one of the general consultative committee organized at the outbreak of the European War two years ago, and one of the principal government bond dealers.

Those in attendance at the General Committee meeting were:

- Leon Fraser, Vice-Chairman of the Committee and President of the First National Bank.
- Winthrop W. Aldrich, Chairman of the Chase National Bank.
- W. Randolph Burgess, Vice-Chairman of National City Bank.
- Herbert P. Howell, President of New York Clearing House Association and Chairman of Commercial National Bank and Trust Co.
- Eugene Stetson, President of the Guaranty Trust Co.
- J. C. Traphagen, President of Bank of New York
- A. Ihlefeld, President, Savings Banks Trust Co.
- Emil Schram, President of New York Stock Exchange
- Frederick H. Ecker, Chairman, Metropolitan Life Insurance Co.
- George L. Harrison, President, New York Life Insurance Co.
- Harold Stanley, Morgan Stanley & Co. Incorporated.

The meeting of dealers in Government Bonds was attended by representatives of the larger Government Bond houses.

A report issued following the meetings said:

> It was the consensus of the General Committee that the two years since it was established have so conditioned the money and security markets to war developments that no repetition of the difficulties of the earlier period need be expected at this time, and that no serious disturbances in our markets are to be anticipated as a result of the Japanese attack upon the United States.
>
> The Government security market was the subject of special consideration in view of its importance to the national interests and to the credit and banking position. There was general acceptance of the view that responsible factors in the market, as holders of Government securities and as subscribers to the new issues now being allotted, would not contribute to any nervous selling which might develop and would, in fact, proceed with their normal investment programs. It was further understood that if any situations of special difficulty should develop, the monetary and credit authorities were able and ready to take care of them, so as to prevent disorderly trading or unwarranted declines in prices.

SEC On Examination Of The Portfolios Of Investment Companies

The Securities and Exchange Commission on Dec. 11 made public an opinion of its chief accountant in its Accounting Series discussing the nature of the examination and certificate required by paragraph (4) of Rule N-17F-1 and by paragraph (7) of Rule N-17F-2 under the Investment Company Act of 1940. These rules require that where registered management investment companies retain custody of their portfolio investments, or place them in the custody of a member of a national securities exchange, such investments shall be verified at least three times each year by an independent public accountant.

The opinion, prepared by William W. Werntz, chief accountant, follows:

> Inquiry has been made as to the nature of the examination and certificate required by paragraph (4) of Rule N-17F-1 and paragraph (7) of Rule N-17F-2 promulgated under the Investment Company Act of 1940.
>
> Rule N-17F-2 sets up certain standards to be followed by management investment companies registered under the Investment Company Act of 1940 which maintain in their own custody their portfolio securities and similar investments. Paragraph (7) of that rule is as follows:
>
> "Such securities and investments shall be verified by complete examination by an independent public accountant retained by such registered company at least three times during the fiscal year, at least two of which shall be chosen by

such accountant without prior notice to such company. A certificate of such accountant, stating that he has made an examination of such securities and investments and describing the nature and extent of the examination, shall be transmitted to the Commission promptly after each such examination."

The securities and investments referred to in the quoted paragraph are identified by paragraphs (1) and (2) of the rule as (a) securities on deposit in a vault or other depository maintained by a bank or other company whose function and physical facilities are supervised by Federal or State authority; (b) securities which are collateralized to the extent of their full market value; (c) securities hypothecated, pledged, or placed in escrow for the account of such registered company; and (d) securities in transit. The examination and certificate required by the quoted paragraph should therefore cover all of the securities listed in paragraphs (1) and (2).

In order to make a complete examination of the securities, it is, in my opinion, necessary for the accountant not only to make a physical examination of the securities themselves, or in certain cases to obtain confirmation, but also to reconcile the physical count or confirmation with the book records. Furthermore, in my opinion it is a necessary prerequisite to such a reconciliation that there have been made an appropriate examination of the investment accounts and supporting records, including an adequate check or analysis of the security transactions since the last examination and the entries pertaining thereto. While the certificate filed must describe the nature and extent of the examination made, it is not necessary that each step taken be set out; instead, there should be included in the certificate in general terms an appropriate description of the scope of the examination of the accounts and the physical examination or confirmation of the securities.

Finally, in order to meet the requirements of paragraph (7) of Rule N-17F-2 the certificate should comply with the usual technical requirements as to dating, salutation and manual signature and, in addition to the description of the examination made, should set forth:

(a) the date of the physical count and verification, and the period for which the investment accounts and transactions were examined:

(b) a clear designation of the depository;

(c)) whether the examination was made without prior notice to the company; and

(d) the results of the examination.

Rule N-17F-1 specifies the conditions under which a registered management investment company may place or maintain its securities and investments in the custody of a company which is a member of a national securities exchange. Paragraph (4) of that rule calls for periodic examinations of the securities and investments so placed or maintained and for certificates as to the verification thereof. In my opinion the requirements of such paragraph (4) involve substantially the same considerations as those of paragraph (7) of Rule N-17F-2 and the above discussion is therfore likewise applicable to the examination and certificate required by such paragraph (4).

Litvinoff Expresses Gratitude For U. S. Aid But Does Not Reveal Attitude Toward Japan

Maxim Litvinoff, newly appointed Soviet Ambassador to the United States, who following his recent arrival in the United States, presented his letters of credence to President Roosevelt on Dec. 9, held a press conference in Washington on Dec. 13, at which time he was queried as to the position of Russia in the World War particularly with respect to Japan. It was pointed out in the Associated Press accounts from Washington on Dec. 13 that, in a formal statement on Russia's position and in answer to questions at the press conference, the Ambassador carefully avoided making at this time any commitments concerning actual Soviet military operations in the Far East. The Associated Press likewise said:

And, when asked whether Russia would permit Allied forces to fight on Russian territory, or permit the United States to use air bases in Siberia for attacks against Japan, he replied:

"That the Soviet Union would welcome help on any front in the common cause, and

"That he could make no answer in public concerning the question about the air bases."

* * *

Asked specifically the attitude of Russia toward Japan, the Ambassador quickly characterized Japan as "the common enemy" belonging to "the same bunch of Axis gangsters."

Asked whether there would be a break in diplomatic relations between the Soviet and Japan, Litvinoff said he did not know.

The Ambassador immediately, however, added that Russia had long known that Germany was putting all possible pressure on Japan to get the Japanese to open a second front against the Soviet, thereby hoping to force Russia to transfer some of her guns and men from the Eastern Front.

In his prepared statement to reporters, the Ambassador said in part:

When I left Moscow a month ago, the enemy was at its very gates, subjecting the capital to hourly bombardments, by day and by night. According, however, to Hitler's solemn promise to his people, his hordes should have been marching through the Red Square six weeks before that, and the Red Army should have been completely washed out. Instead of this, not only have the Germans been held up almost all along the front, but they have been forced to retreat while the three great centers which have always been their most coveted objects—Leningrad, Moscow and Rostov—are all in our hands.

* * *

During the last few days the battlefront has become considerably more extensive, spreading to all continents. It must now be plain even to those who are, politically speaking babes or blind, that all that is now going on is the result of a vast conspiracy by a handful of international gangsters, calling themselves Axis powers, to plunder all countries, enslaving their peoples. The outlines of this plot were roughed out with the creation of the so-called anti-Comintern pact. Against this little handful of plotters, who have made of their peoples slaves and mere instruments of their will, is arraigned the whole of the rest of the world. We now have, in various parts of the world, separate sectors of one great battlefield. In this struggle against the international gangsters, the heavy end has fallen to the Soviet Union Great Britain and the United States. We are proud and happy to count ourselves the allies of your great country. I am quite sure that complete understanding exists or will be arrived at among these three allies as to which of them should concentrate its greatest efforts and energy on which sector, and that they will be ruled in this by the interests of the common cause. We are all in the same boat now, and will either perish together or together triumph over the greatest evil of our times, over the spirit of aggression, of international infamy and barbarity. And triumph we will!

All that I have said to you just now is to provide you with a background for your questions, if any. You will forgive me if I have to disappoint you by failing to give answers to all the questions which are of interest to you. I quite understand what many of you have on the tip of your tongues, but you see our enemies are listening still more eagerly for my answers than are even press representatives. And so don't get sore with me if there are some questions I won't be able to answer.

As was indicated in these columns Nov. 13, page 1038, the United States early in November arranged to grant Soviet Russia a loan of $1,000,000,000 under the Lend-Lease Act, and the transfer of defense supplies to that country under the Act was authorized by President Roosevelt, as was noted in our Nov. 30 issue, page 1135. In presenting his letters of credence to the President on Dec. 9 Mr. Litvinoff said in part:

The peoples of the Soviet Union are happy in the realization that they are receiving from the American people not only their sympathy in this struggle, but also substantial material support, and it affords me keen pleasure to express to you, Mr. President, and to your people, the warm gratitude of my government and my country for this generous support.

* * *

My arrival in Washington coincided precisely with the moment in which American territory and American armed forces were subject to attack from another State—an attack no less unexpected than that to which, five and a half months ago, the Soviet Union was subjected. This event, arising from the present international situation, was brought about by the same forces and the same ideology which let loose sanguinary war in Europe and other continents.

I must limit myself, at the present moment, Mr. President to the assurance of the best wishes and warm sympathy of the people of the Soviet Union towards the American people in these days of their ordeal. I am convinced that the similar trial of the Soviet and American peoples will rivet still more strongly the bonds of friendship between them.

President Roosevelt in his reply had the following to say in part:

You are taking up your duties here upon a day of great historic import. As you have pointed out, coincident with your arrival yesterday in Washington, American territory and American armed forces were subjected to an attack from another State. This attack, as you quite correctly state, has been brought about by the same forces and the same ideology which have unleashed war in Europe and other continents. In response to this attack, at this very moment Congress is voting upon a declaration of war with Japan, which is guilty of deliberate and unprovoked aggression against the United States. I am grateful for your assurances of the best wishes and warm sympathy of the people of the Soviet Union for the American people during these trying days.

There can be no doubt that the struggle in which the United States is being forced to engage is closely connected with, if not a component part of, a gigantic struggle on a world scale which has been brought about by kindred forces of aggression inflamed with ambitions for world conquest and world domination. I agree with you that the successful and speedy outcome of this struggle will depend largely upon the extent to which the countries opposing aggression are willing to coordinate their activities, to use their resources in a timely and rational manner, and to maintain among themselves full understanding and confidence and I can assure you that your efforts to create conditions in the relations between the United States and the Soviet Union most favorable for bringing about a successful outcome of this struggle will be met by similar efforts on the part of the American government.

President In Message To Congress Reviews Events Preceding Japanese Attack On U. S.

In a message addressed to Congress on Dec. 15, President Roosevelt transmitted to that body an "historical summary of the past policy of this country in relation to the Pacific area and of the more immediate events leading up to this Japanese onslaught upon our forces and territory." He attached thereto various documents and correspondence implementing this history. The President's message this week supplemented his previous message of Dec. 8, asking for a declaration of war "as an answer to the treacherous attack made by Japan the previous day upon the United States." Dealing specifically with the Japanese attack in the Hawaiian Islands on Dec. 7, the President in the concluding portion of his Dec. 15 message said:

For the record of history, it is essential in reading this part of my message always to bear in mind that the actual air and submarine attack in the Hawaiian Islands commenced on Sunday, Dec. 7 at 1:20 P. M., Washington time—7:50 A. M., Honolulu time of same day—Monday, Dec. 8, 3:20 A. M., Tokyo time.

To my message of Dec. 6 (9 p.m. Washington time—Dec. 7, 11 a.m., Tokyo time) to the Emperor of Japan, invoking his cooperation with me in further effort to preserve peace, there has finally come to me on Dec. 10 (6:23 a. m., Washington time—Dec. 10, 8:23 p.m., Tokyo time) a reply, conveyed in a telegraphic report by the American Ambassador at Tokyo dated Dec. 8, 1 p.m. (Dec. 7, 11 p.m., Washington time).

The Ambassador reported that at 7 o'clock on the morning of the 8th (Dec. 7, 5 p.m., Washington time) the Japanese Minister of Foreign Affairs asked him to call at his official residence; that the Foreign Minister handed the Ambassador a memorandum dated Dec. 8 (Dec. 7, Washington time), the text of which had been transmitted to the Japanese Ambassador in Washington to be presented to the American Government (this was the memorandum which was delivered by the Japanese Ambassador to the Secretary of State at 2:20 p.m. on Sunday, Dec. 7 (Monday, Dec. 8, 4:20 a.m., Tokyo time); that the Foreign Minister had been in touch with the Emperor; and that the Emperor desired that the memorandum be regarded as the Emperor's reply to my message.

Further, the Ambassador reports, the Foreign Minister made an oral statement. Textually, the oral statement began: "His Majesty has expressed his gratefulness and appreciation for the cordial message of the President."

The message further continued to the effect that, in regard to our inquiries on the subject of increase of Japanese forces in French Indo-China, His Majesty had commanded his Government to state its views to the American Government. The message concluded, textually, with the statement:

"Establishment of peace in the Pacific, and consequently of the world, has been the cherished desire of His Majesty for the realization of which he has hitherto made his Government to continue its earnest endeavors. His Majesty trusts that the President is fully aware of this fact."

Japan's real reply, however, made by Japan's war lords and evidently formulated many days before, took the form of the attack which had already been made without warning upon our territories at various points in the Pacific.

There is the record, for all history to read in amazement, in sorrow, in horror and in disgust!

We are now at war. We are fighting in self-defense. We are fighting in defense of our national existence, of our right to be secure, of our right to enjoy the blessings of peace. We are fighting in defense of principles of law and order and justice, against an effort of unprecedented ferocity to overthrow those principles and to impose upon humanity a regime of ruthless domination by unrestricted and arbitrary force.

Other countries, too—a host of them—have declared war on Japan. Some of them were first attacked by Japan, as we have been. China has already been valiantly resisting Japan in an undeclared war forced upon her by Japan. After four and one-half years of stubborn resistance, the Chinese now and henceforth will fight with renewed and confirmed assurance of victory.

All members of the great British Commonwealth, themselves fighting heroically on many fronts against Germany and her allies, have joined with us in the Battle of the Pacific, as we have joined with them in the Battle of the Atlantic.

All but three of the Governments of nations overrun by German armies have declared war on Japan. The other three are severing relations.

In our own hemisphere many of our sister republics have declared war on Japan, and the others have given firm expression of their solidarity with the United States.

The following are the countries which have to date declared war against Japan:

Australia, Canada, China, Costa Rica, Cuba, Dominican Republic, Guatemala, Haiti, Honduras, The Netherlands, Nicaragua, New Zealand, Panama, El Salvador, South Africa, United Kingdom, Poland.

These and other peace-loving countries will be fighting as we are, first, to put an end to Japan's program of aggression, and, second, to make good the right of nations and of mankind to live in peace under conditions of security and justice.

The people of this country are totally united in their determination to consecrate our na-

(Continued on page 1559)

Foreign Front

(Continued from First Page)

calls the "Freedom Nations" is more difficult than it was in the first World War. The forces at the disposal of the enemy are more numerous and powerful. All of Europe now is under the heels of the dictators, and the Pacific is a war theater in a much different sense than during the earlier conflict. But the spirit and determination of the English-speaking nations is the same, while their resources are unmatched. The die is cast and victory must be won.

To a large degree the war declarations exchanged with Germany and Italy merely formalized the shooting naval conflict upon which the United States entered last September. Even after Japan attacked on Dec. 7, however, some hope seemed to prevail in Washington that formal declarations would not be exchanged across the Atlantic. Such ideas were dispelled early last Thursday.

Calling his puppet Reichstag into session, Chancellor Hitler plunged into one of his excessively wordy performances and after some 90 minutes of verbosity he made known to the German people that powerful America had been added to their opponents. Premier Mussolini spoke briefly to his Fascist supporters and in "a day of solemn decision" ranged Italy with Japan, at war with the United States. Such speeches, of course, were for home consumption.

The actual declarations of war were brief documents. A German note accused the United States of having "violated in the most flagrant manner and in ever-increasing measure all rules of neutrality in favor of the adversaries of Germany," and of having "continually been guilty of the most severe provocations toward Germany ever since the outbreak of the European war." The Presidential order to shoot at sight any German vessels was cited by the Berlin note, along with the several incidents in which American destroyers were involved. Strict adherence by Germany to the rules of international law in her relations with the United States was claimed by the Reich regime, but in view of alleged open acts of war against Germany a state of war was said to exist. An Italian proclamation of a single sentence declared in the name of King Victor Emmanuel that Italy considers herself in a state of war with the United States.

Accepting the challenge instantly, President Roosevelt sent a message to Congress on the same day, reporting that "the long known and the long expected has taken place." The forces endeavoring to enslave the world, Mr. Roosevelt said, now are moving toward this hemisphere. "Rapid and united effort by all of the peoples of the world who are determined to remain free will insure a world victory of the forces of justice and of righteousness over the forces of savagery and of barbarism," said the President, who called forthwith for a war declaration against Germany and Italy. Congress adopted the necessary resolutions in little more than an hour, and the grim business of all-out war with the entire Axis was begun.

Hungary, Rumania and Bulgaria successively issued war declarations against the United States. Much of Latin-America promptly was arrayed with this country. Two of the key States of Europe continued their neutrality, however, despite their proximity to the conflict and the enormous strategic value of their territories to the warring blocs. That Eire will remain aloof despite the entry of the United States was made clear by Prime Minister Eamon de Valera, last Sunday. The Turkish Government notified the United States on the same day of a continued preference for neutrality.

Germany, Italy and Japan concluded the brief ceremonies with signatures to a pact binding the three Axis Powers to conduct jointly the war which "has been imposed on them by the United States and England." They agreed not to make peace separately and to continue their collaboration after "the victorious conclusion of this war."

In an exchange of messages between King George VI and President Roosevelt, last Friday, the British sovereign voiced the pride of Britain in being able to fight with the United States against the "powers of darkness" and for the establishment of the "four freedoms." Mr. Roosevelt lauded the courage of Britain and declared that the forces which have plunged the world in war "cannot prevail against the indomitable strength of free peoples fighting in a just cause." The Chinese Generalissimo, Chiang Kai-shek, pledged the aid of his country in a message to President Roosevelt.

General boards of strategy already are in process of being set up on either side in this World War. The need for a supreme staff promptly was urged in London, and in Washington it is assumed that such a staff would function in our own capital. Representatives of Germany, Italy and Japan started general staff conversations in Berlin on Monday.

Russia and Japan

Although war declarations have been issued with great abandon in the last two weeks, it is highly significant that Russia and Japan have refrained from making war on each other. The real meaning of this situation is hard to fathom. Both countries are fully in the war on opposite sides and both are pledged not to make peace separately. It is, of course, a reflection upon their several pledges that they refrain from all-out war which they declare they will not emerge from separately.

For Britain and the United States this is a matter of great strategic importance, since Russian bases are not available to our forces in the Pacific, under the Russian procedure. Before the present situation developed it was assumed that long-range bombers would take off from Philippine airfields and fly on to Siberia, after bombing Japanese ports and cities. The return journey, according to such plans, would involve another bombing of objectives in Japan. Russia's present stand obviates this strategic possibility, along with a number of others.

A good deal of verbal support, which costs very little, has been extended by Russian spokesmen to Britain and the United States, in the war against Japan. Maxim Litvinoff, newly arrived Soviet Ambassador to Washington, referred to Japan as the "common enemy" of Russia, Britain and the United States, last Saturday. He also made it quite clear that Russia would not open a second front against Japan in the East but would concentrate, instead upon the task of beating back the legions of Hitler in Europe.

Russian strategy is necessarily a matter for Russia to decide just as Britain had to make her own decisions respecting the second front in Western Europe which the Soviet regime ardently desired. The mutual hands-off attitude of Moscow and Tokio is however, of a somewhat different order. It is a puzzling and far from comforting incident of the vast conflict.

War Measures

Arrival of "M" Day already has set in motion a good deal of the administrative and other machinery of war in the United States, and also has brought with it a perfectly enormous official zeal respecting the possibility of air raids. False air raid alarms have sounded frequently on both the Pacific and Atlantic Coasts. This is a matter in which British experience suggests sensible courses of procedure.

Legislative enactments suitable for the new situation in which the country finds itself promptly began to come out of Congress. The military forces of the country are to be expanded prodigiously, with an army of 7,500,000 men planned. A fresh appropriation of $10,000,000,000 has been placed at the disposal of the Navy Department, for the most part, although other branches of the armed forces also are to share. This increases national defense appropriations to $70,772,563,270.

Lend-lease aid to countries which, in the opinion of President Roosevelt, ought to have this form of support from the United States, amounted to $1,202,000,000 by Dec. 1, according to the usual quarterly report of the Executive to Congress. The third report on lend-lease operations, published Monday, indicates that 33 countries now are eligible for aid. Actual exports under the program amounted to $595,000,000.

Seizures of ships in American ports were extended, over the last week-end, to include those of France and Sweden. The great French liner Normandie, which readily can be converted into an aircraft carrier, was seized along with 13 other French vessels. The Swedish liner Kungsholm was taken under the right of angary, equivalent to the right of eminent domain, and just compensation will be made to her owners. Spain promptly canceled all ship sailings to the United States.

Latin-America

To one degree or another, all of the 20 Latin-American republics promptly were aligned with the United states in the war with the Axis Powers, and a good deal of strength thus was added to the alliance of free nations. The Good Neighbor policy of President Roosevelt was designed partly toward this end, and it achieved a distinguished success.

Most of the Latin-American countries signalized their support of Washington by declaring war upon Japan, Germany and Italy. The parliamentary machinery for declaring war worked slowly in some instances, and quickly in others. Where the process was long and cumbersome, diplomatic relations with the Axis were broken. Argentina, alone, preferred to maintain technical neutrality toward the Axis, but active aid for the United States was arranged through a declaration that the United States is a "non-belligerent" and therefore free to use Argentine ports as war bases.

In accordance with understandings reached by the American Republics at Havana, last year Secretary of State Cordell Hull last week called a meeting of all Foreign Ministers of Western Hemisphere republics. This gathering will take place in Rio de Janeiro, during the first week of January. The discussion will concern measures for hemispheric defense.

Pacific Theatre

Desperate efforts were made by the Japanese in recent days to extend whatever advantage the initiative provides in modern warfare, and fighting continued on numerous fronts in the vast Pacific area. The strategic factors have only just begun to clarify in this second week of the newest war. It is fairly evident, however, that the Japanese hope to keep the Pacific Fleet of the United States at a distance, while attempting to reduce the bastions of the Philippines and Singapore. In their aim of driving Occidentals out of the East the Japanese have made a little progress to date. As Anglo-American strength is brought to bear on this situation, however, the prospects doubtless will change.

The attack on Pearl Harbor and the sinkings of the great British warships Prince of Wales and Repulse continued to reverberate in all circles. Since naval strength is vital in the war that Japan suddenly opened on Dec. 7, the losses of American and British ships have a corresponding significance. Aerial strength may turn out in the end to be more important still, but modern tactics suggest the greatest possible degree of collaboration among all forces.

After a speedy journey to Hawaii, Secretary of the Navy Frank Knox reported frankly on Monday the American losses suffered at Pearl Harbor. These were extremely serious, but far from that knock-out blow which the enemy desired to administer. The battleship Arizona, 32,600 tons, and the destroyers Cassin, Downes and Shaw were the principal vessels lost in the treacherous attack. The old target and training ship Utah and the minelayer Oglala, also went down. The old battleship Oklahoma capsized and an unannounced number of other ships suffered damage that will take varying periods to repair.

The United States services were not on the alert against this surprise attack, Mr. Knox admitted. In addition to the ship losses, 2,897 sailors and soldiers lost their lives, and 656 officers and men were wounded. Notwithstanding this grievous loss, Secretary Knox declared that the Japanese failed to attain their objective of knocking out the Pacific Fleet, which, he said, was at sea seeking contact with the enemy. The attack on Pearl Harbor was launched from Japanese aircraft carriers, he said, and tiny submarines operated by two men proved to be the only surprise weapon. Numerous instances of heroism among our forces were cited.

Full details of the British disaster off Malaya were disclosed late last week. Early fears that virtually the entire complements of the Prince of Wales and the Repulse went down with these fine ships have fortunately proved erroneous. The list of missing numbers 595, and 2,330 men were rescued. Lack of the great ships is keenly felt, however, and may be a decisive element of the war in Malaya.

Heavy losses also have been inflicted upon the Japanese, principally by American fliers and by British forces in general and the Netherlands submarines operating from East Indian bases. Secretary of War Stimson announced last week that the Japanese battleship Haruna, 29,330 tons, had been sunk off Luzon, in the Philippines, and another battleship of the Kongo class subsequently was reported badly damaged and possibly destroyed. These losses have not been conceded by Tokio.

Japanese radio broadcasts admitted, however, that a light cruiser was damaged in attacks on American islands, and that some transports and other ships were sunk. In transports, according to American, British and Netherlands accounts, the Japanese lost heavily, two to six being reported sunk every day. Aerial losses are not fully known, but were severe on both sides. As in the European war, each side claims heavy damage to opposing aircraft while conceding little loss to its own.

In this second week of the Pacific war it was evident that Hawaii, despite the losses suffered at Pearl Harbor, stands as the great bastion of American defense and offense. The Japanese apparently have submarines prowling around the island, and it is officially stated in Washington that the enemy lost a number of these ships. Attacks were made Tuesday, it appears, on outlying islands of the Hawaiian group, but shelling of such outposts did no damage of consequence. A Norwegian freighter went down Monday, near Honolulu, obviously under Japanese submarine attack.

Just how far the United States Pacific Fleet is ranging out of Pearl Harbor naturally is not disclosed. The Japanese, however, attacked steadily the stepping stone islands of Midway, Wake and Guam, which are important in the communications system of the United States and the Philippines. Midway and Wake held out, but Guam was silent and the Japanese claimed officially on Tuesday to have taken that island, which lies near a large group of Japanese islands in the far Pacific.

Toward the Philippines the Japanese stabbed again and again, with little regard to their heavy losses in ships and men. At the northern tip of Luzon island they effected a landing which they have so far held. But tenuous holds by the invaders on east and west coasts of Luzon were broken on several occasions, and still the attackers returned. The Manila area and the naval base at Cavite were bombed, without much military damage reported done. American fliers hammered at the invading ships and downed many Japanese airplanes. Our Asiatic Fleet is based on the Philippines, but there are, of course, no reports as to its movements.

These attacks on American possessions possibly are of less immediate strategic significance than a strenuous Japanese advance upon the Malay States, where the British are contesting hotly every foot of ground. From Thailand, which is said by the Axis to be fully in its camp, and from troop transports, the Japanese poured down the Kra Isthmus, toward Singapore. They captured the important airfield at Kota Bharu, last week, and after the sinking of the Prince of Wales and Repulse sent uncounted numbers of soldiers against the British lines.

In London it was admitted on Tuesday that the Japanese move against Singapore has become a major threat. Defense plans for that giant base were partly calculated upon the presence of powerful sea units such as those now sunk. Attacking with much greater land and aerial forces than had been anticipated by the defenders, the Japanese progressed this week toward Penang and took the small island of Victoria, at the southern tip of Burma. Reinforcements are being rushed toward Singapore, and the battle for that vital base will be observed with bated breath.

Against the British island fortress of Hongkong the Japanese staged still another heavy attack. Here, also, the invaders admittedly made some progress, notably through occupation of the Kowloon area on the mainland, across the narrow strait. Chinese attacks against the Japanese rear have failed to stem the attack of the Tokio forces upon the British. Cut off from outside supplies, Hongkong presumably can hold out for some time, but not indefinitely. The course of the general Pacific struggle may determine the immediate fate of the island.

Occasional attempts also were made by the Japanese to effect landings in North Borneo, where the precious oil is located that the Japanese do not have and need. British forces in North Borneo tumbled the attackers into the ocean, and at last accounts the invaders failed to gain more than a momentary foothold.

Retreat from Moscow

Everywhere in Russia, but particularly on the Moscow front,

the German forces were in retreat this week, and the effect of this development upon the general course of the war is incalculably important. After suffering an obvious military defeat at Rostov, at the southern end of the long line, the Germans announced on Dec. 8 an intention of retiring to prepared positions for the winter. All reports from the Russian side suggest, however, that the Germans are not retiring merely "according to plan," but are being driven back precipitately and with heavy losses.

Some caution is advisable in accepting the Russian claims at face value, for the Germans gave the first notice of this move and the Russian reports possibly are over-enthusiastic. There is no doubt, however, of the rather extensive area retaken by the Russian Army. East of Leningrad the Germans retreated many miles but they continue their seige of the second city of Russia. North of Moscow the Germans were forced out of Klin and Kalinin while south of the capital they also had to give ground. In the Donets Basin the Russians started a major move a week ago. All in all, Moscow indicates, some 600 towns and villages have been retaken, and immense losses have been inflicted upon the Nazis both in men and materials.

One factor of much potential and possibly also of immense immediate importance was noted this week, in reports from Swedish and Swiss sources. These reports state an epidemic of typhus is raging in the German-occupied areas of Eastern Europe. It is quite clear that the Nazi army would not escape such an epidemic unscathed. If typhus is adding to the Russian destruction of German forces, the Nazi retreat from Moscow perhaps is adequately explained.

The Communists, who still refuse to permit foreign observers to visit the front, declared in ringing statements this week that the Germans are in a "Napoleonic retreat." They reported 85,000 Germans killed in a single engagement, last week. More than 6,000,000 Nazis have been sacrificed, according to Moscow spokesmen. Berlin merely referred to the Russian battles as "local engagements."

Chancellor Hitler traced the course of the Russian campaign in his Reichstag speech, last Thursday, and he supplies allegedly official statistics of German losses on the Eastern Front. From the beginning of the Russian campaign on June 22, to Dec. 1, Hitler said, Nazi losses were 162,314 dead, 477,767 wounded, and 33,334 missing. Russian prisoners in German hands were said by Nov. 8 to have totaled 3,806,000. The winter halt was confirmed by the German leader who added that with the return of warm weather next year the German advance will be resumed.

Prime Minister Churchill added to the controversy on the German-Russian campaign, last Thursday, by asserting that Hitler made one of the outstanding blunders of history in attacking Russia. "In Russia Hitler has everywhere been brought to a standstill," said Mr. Churchill. "On a large portion of his front he is in retreat and the sufferings of his troops are indescribable. Their losses have been immense."

Libyan Campaign

British successes in Libya against the Axis forces under the command of the German General, Erwin Rommel, have taken on impressive proportions in the last few days. Whether the action now can be regarded as decided, however, is not clear. German and Italian reinforcements are being rushed to North Africa, both by sea and air, and it is admittedly a stubborn resistance that the Axis is putting up.

Retreat by the Axis forces from the battle ground south of Tobruk was started more than a week ago, and Prime Minister Churchill was able to state categorically on Dec. 11 that Tobruk has been relieved. The Germans and Italians have since given ground very slowly, and frequent thrusts against the advancing British Empire forces are reported. These Fabian tactics of the German commander are occasioning some caution at British Headquarters.

In his report to the House of Commons, Mr. Churchill made it plain that the British have superior forces in Libya, and that mastery gradually was attained during the first phase of the battle. He expressed the utmost confidence regarding the next moves in the battle. Numerous Axis transports were sunk by British submarines and cruisers, and at least two Italian cruisers were sent to the bottom, last week. German High Command statements, Tuesday, claimed the sinking of a British cruiser by German submarines, off North Africa.

Battle Of The Atlantic

Modest aerial activity is reported in the direct combat between the United Kingdom and the German Reich, both sides apparently being content to send over occasional bombers. The Reich air force, withdrawn in large part from the Russian front, doubtless is being groomed for fresh attacks, and these may fall upon the British Isles or the Libyan front. British authorities seem to be keeping their reserves high, in preparation for any developments.

The Battle of the Atlantic continues to run in favor of Great Britain, which of all recent developments is one of the most heartening. Prime Minister Churchill referred to the Atlantic struggle with obvious satisfaction, in a report to the House of Commons, last Thursday. Without revealing actual figures, he stated that the improvement noted during the four preceding months had been maintained in November.

With respect to the World War as a whole, Mr. Churchill was quite realistic. He reminded the British people that greater efforts will be required of them owing to the war in the Far East and the curtailment in American supplies and American naval aid that the struggle with Japan will entail. The gap must be filled through British efforts, he said.

Reviews Events Prior To Attack

(Continued from page 1557)

tional strength and man power to bring conclusively to an end the pestilence of aggression and force which has long menaced the world and which now has struck deliberately and directly at the safety of the United States.

In the earlier part of his Dec. 15 message to Congress the President stated that "the course of events which have led directly to the present crisis began ten years ago." He went on to say:

For it was then, in 1931, that Japan undertook on a large scale its present policy of conquest of China. It began by the invasions of Manchuria, which was part of China. The Council and the Assembly of the League of Nations, at once and during many months of continuous effort thereafter, tried to persuade Japan to stop.

The United States supported that effort. For example, the Government of the United States on Jan. 7, 1932, specifically stated in notes sent to the Japanese and the Chinese Governments that it would not recognize any situation, treaty or agreement brought about by violation of treaties.

This barbaric aggression of Japan in Manchuria set the example and the pattern for the course soon to be pursued by Italy and Germany in Africa and in Europe. In 1933, Hitler assumed power in Germany. It was evident that, once rearmed, Germany would embark upon a policy of conquest in Europe. Italy—then still under the domination of Mussolini—also had resolved upon a policy of conquest in Africa and in the Mediterranean.

Through the years which followed, Germany, Italy and Japan reached an understanding to time their acts of aggression to their common advantage—and to bring about the ultimate enslavement of the rest of the world.

* * *

The very existence of the United States as a great free people, and the free existence of the American family of nations in the New World, would be a standing challenge to the Axis. The Axis dictators would choose their own time to make it clear that the United States and the New World were included in their scheme of destruction.

This they did last year, in 1940, when Hitler and Mussolini concluded a treaty of alliance with Japan deliberately aimed at the United States.

The strategy of Japan in the Pacific area was a faithful counterpart of that used by Hitler in Europe. Through infiltration, encirclement, intimidation and, finally, armed attack, control was extended over neighboring peoples. Each such acquisition was a new starting point for new aggression.

Pursuing this policy of conquest, Japan had first worked her way into and finally seized Manchuria. Next she had invaded China, and has sought for the past four and one-half years to subjugate her.

Passing through the China Sea close to the Philippine Islands, she then invaded and took possession of Indo-China. Today the Japanese are extending this conquest throughout Thailand and seeking the occupation of Malaya and Burma. The Philippines, Borneo, Sumatra, Java, come next on the Japanese timetable; and it is probable that further down the Japanese page are the names of Australia, New Zealand and all the other islands of the Pacific, including Hawaii and the great chain of the Aleutian Islands.

To the eastward of the Philippines Japan violated the mandate under which she had received the custody of the Caroline, Marshall and Mariana Islands after the World War by fortifying them, and not only closing them to all commerce but her own, but forbidding any foreigner even to visit them.

* * *

By this course of aggression Japan made it necessary for various countries, including our own, to keep in the Pacific in self-defense large armed forces and a vast amount of material which might otherwise have been used against Hitler. That, of course, is exactly what Hitler wanted them to do. The diversion thus created by Hitler's Japanese ally forced the peace-loving nations to establish and maintain a huge front in the Pacific.

Throughout this course and program of Japanese aggression, the Government of the United States consistently endeavored to persuade the Government of Japan that Japan's best interests would lie in maintaining and cultivating friendly relations with the United States and with all other countries that believe in orderly and peaceful processes.

Following the outbreak of hostilities between Japan and China in 1937, this Government made known to the Japanese Government and to the Chinese Government that whenever both those governments considered it desirable we stood ready to exercise our good offices. During the following years of conflict that attitude on our part remained unchanged.

* * *

It became clear that, unless this course of affairs in the Far East was halted, the Pacific area was doomed to experience the same horrors which have devastated Europe.

Therefore, in this year of 1941, in an endeavor to end this process by peaceful means while there seemed still to be a chance, the United States entered into discussions with Japan. For nine months these conversations were carried on for the purpose of arriving at some understanding acceptable to both countries.

* * *

Finally, on Nov. 20, 1941, the Japanese Government presented a new and narrow proposal which called for supplying by the United States to Japan of as much oil as Japan might require, for suspension of freezing measures, and for discontinuance by the United States of aid to China. It contained, however, no provision for abandonment by Japan of her warlike operations or aims.

Such a proposal obviously offered no basis for a peaceful settlement or even for a temporary adjustment. The American Government, in order to clarify the issues, presented to the Japanese Government on Nov. 26 a clear-cut plan for a broad but simple settlement.

* * *

I was determined, however, to exhaust every conceivable effor for peace. With this in mind, on the evening of Dec. 6 last I addressed a personal message to the Emperor of Japan.

To this Government's proposal of Nov. 26 the Japanese Government made no reply until Dec. 7. On that day the Japanese Ambassador here and the special representative whom the Japanese Government had sent to the United States to assist in peaceful negotiations delivered a lengthy document to our Secretary of State one hour after the Japanese had launched a vicious attack upon American territory and American citizens in the Pacific.

German, Italian Declarations Of War On U. S.

The United States was officially informed of the German and Italian declarations of war when diplomatic representatives of the two countries called at the State Department on Dec. 11.

The German envoys, Dr. Hans Thomsen, Charge d'Affaires, and Heribert von Strempel, First Secretary of the Embassy, handed to Ray Atherton, Chief of the European Division of the State Department, a copy of the note which had been delivered earlier in the day to the American Charge d'Affaires in Berlin, George L. Brandt. This note, signed by Joachim von Ribbentrop, German Foreign Minister, said that the United States "from initial violations of neutrality has finally proceeded to open acts of war against Germany" and "has thereby virtually created a state of war." The note, which asserted that American naval vessels "since early September, 1941, have systematically attacked German naval forces," declared that the German Government "discontinues diplomatic relations with the United States . . . and declares that under these circumstances brought about by President Roosevelt, Germany, too, as from today, considers herself as being in a state of war with the United States of America."

When the Italian Ambassador, Prince Ascanio Colonna, called at the State Department, accompanied by Signor Mario Conti, First Secretary of the Embassy, he was informed by James C. Dunn, political adviser on European affairs, that the Italian Government had already notified the American Charge d'Affaires in Rome, George Wadsworth, that Italy considered itself at war with the United States. Mr. Wadsworth had been informed by the Italian Foreign Minister, Count Galeazzo Ciano.

Reichsfuehrer Adolf Hitler announced Germany's decision in a speech to the Reichstag in Berlin on Dec. 11 and Premier Benito Mussolini made known Italy's declaration in a talk on Dec. 11 to a crowd assembled in the Piazza Venezia in Rome.

The text of the German note was as follows:

Mr. Charge d'Affaires:

The Government of the United States having violated in the most flagrant manner and in ever-increasing measure all rules of neutrality in favor of the adversaries of Germany and having continually been guilty of the most severe provocations toward Germany ever since the outbreak of the European war, provoked by the British declaration of war against Germany on Sept. 3, 1939, has finally resorted to open military acts of aggression.

On Sept. 11, 1941, the President of the United States publicly declared that he had ordered the American Navy and Air Force to shoot on sight at any German war vessel. In his speech of Oct. 27, 1941, he once more expressly affirmed that this order was in force. Acting under this order, vessels of the American Navy, since early September, 1941, have systematically attacked German naval forces. Thus, American destroyers, as for instance the Greer, the Kearny and the Reuben James have opened fire on German submarines according to plan. The Secretary of the American Navy, Mr. Knox, himself confirmed that American destroyers attacked German submarines.

Furthermore, the naval forces of the United States, under order of their Government and contrary to international law, have treated and seized German merchant vessels on the high seas as enemy ships.

The German Government therefore establishes the following facts:

Although Germany on her part has strictly adhered to the rules of international law in her relations with the United States during every period of the present war, the Government of the United States from initial violations of neutrality has finally proceeded to open acts of war against Germany. The Government of the United States has thereby virtually created a state of war.

The German Government, consequently, discontinues diplomatic relations with the United States of America and declares that under these circumstances brought about by President Roosevelt, Germany, too, has from today, considers herself as being in a state of war with the United States of America.

Accept, Mr. Charge d'Affaires, the expression of my high consideration.

RIBBENTROP.

Dec. 11, 1941.

According to an announcement by the State Department at Washington on Dec. 11, the German Charge d'Affaires stated that the Swiss Government would take over German interests in this country and that Dr. Burgmann had already received appropriate instructions from his Government.

Bankers' Dollar Acceptances Outstanding On November 29 Totaled $193,590,000

The volume of bankers' acceptances increased $8,784,000 during November to $193,590,000 on Nov. 29, according to the monthly report of the Acceptance Analysis Unit of the Federal Reserve Bank of New York, issued Dec. 15. As compared with a year ago, the Nov. 29 total is $3,093,000 below that of Nov. 30, 1940, when the acceptances outstanding amounted to $196,683,000.

The increase in the volume of acceptances outstanding from the previous month was due to advances in all branches of credit excepting domestic warehouse credits, while in the year-to-year comparison only credits for imports, domestic shipments and domestic warehouse credits were higher than last year.

The Reserve Bank's report for Nov. 29 follows:

BANKERS' DOLLAR ACCEPTANCES OUTSTANDING—UNITED STATES BY FEDERAL RESERVE DISTRICTS

Federal Reserve District—	Nov. 29, 1941	Oct. 31, 1941	Nov. 30, 1940
1 Boston	$22,031,000	$20,898,000	$22,301,000
2 New York	124,414,000	115,200,000	135,151,000
3 Philadelphia	10,448,000	10,670,000	10.497,000
4 Cleveland	2,951,000	2,919,000	2,431,000
5 Richmond	1,636,000	1,152,000	1,224,000
6 Atlanta	1,430,000	1,091,000	1,642,000
7 Chicago	4,585,000	5,869,000	4,823,000
8 St. Louis	744,000	654,000	503,000
9 Minneapolis	168,000	142,000	958,000
10 Kansas City	------	------	------
11 Dallas	2,806,000	2,431,000	61,000
12 San Francisco	22,377,000	23,780,000	17,092,000
Grand Total	$193,590,000	$184,806,000	$196,683,000

Increase for month $8,784,000. Decrease for year $3,093,000.

ACCORDING TO NATURE OF CREDIT

	Nov. 29, 1941	Oct. 31, 1941	Nov. 30, 1940
Imports	$115,699,000	$108,867,000	$97,898,000
Exports	13,544,000	12,472,000	20,195,000
Domestic shipments	11,894,000	10,939,000	9,385,000
Domestic warehouse credits	36,095,000	37,169,000	31,373,000
Dollar exchange	4,506,000	4,116,000	9,266,000
Based on goods stored in or shipped between foreign countries	11,852,000	11,243,000	28,566,000

BILLS HELD BY ACCEPTING BANKS

Own bills ____ $92,941,000 Bills of others ____ $50,946,000 Total ____ $143,887,000

Increase for month, $6,050,000

CURRENT MARKET RATES ON PRIME BANKERS' ACCEPTANCES, DEC. 15, 1941

Days	Dealers' Buying Rates	Dealers' Selling Rates
30	1/2	7/16
60	1/2	7/16
90	1/2	7/16
120	9/16	1/2
150	5/8	9/16
180	5/8	9/16

The following table, compiled by us, furnishes a record of the volume of bankers' acceptances outstanding at the close of each month since Jan. 31, 1939:

1939—		1940—		1941—	
Jan. 31	$255,402,175	Jan. 31	$229,230,000	Jan. 31	$212.777.000
Feb. 28	248,095,184	Feb. 29	233,015,000	Feb. 28	211,865,000
Mar. 31	245,016,075	Mar. 30	229,705,000	Mar. 31	217,312,000
Apr. 29	237,831,575	Apr. 30	223,305,000	Apr. 30	219,561,000
May 31	246,574,727	May 31	213,685,000	May 31	215,005,000
June 30	244,530,440	June 29	206,149,000	June 30	212,932,000
July 31	236,010,050	July 31	188,350,000	July 31	209,899,000
Aug. 31	235,034,177	Aug. 31	181,813,000	Aug. 30	197,472,000
Sept. 30	215,881,724	Sept. 30	176,614,000	Sept. 30	176,801,000
Oct. 31	221,115,945	Oct 31	186,789,000	Oct. 31	184,806,000
Nov. 30	222,599,000	Nov. 30	196,683,000	Nov. 29	193,590,000
Dec. 30	232,644,000	Dec. 31	208,659,000		

Petroleum And Its Products

An increase of 3 cents a barrel in crude oil prices in north and north central Texas was approved by the Office of Price Administration on Dec. 11 and Sinclair-Prairie Oil Marketing led the way in a general markup to $1.21 for top gravity crude produced in this area. The advance, which reduces the differential between north Texas and adjoining Oklahoma fields to 4 cents, against the former 7-cent figure, was permitted by the OPA after a study of transportation and other costs and "should not be construed" as indicative of the OPA policy upon the general crude oil price question now under study by the Federal agency, it was stated.

A little over a month ago, a 7-cent a barrel increase in north and north central Texas, which eliminated the differential entirely, was rescinded by the companies posting it after the OPA, which had not received prior notice of their intentions, requested them to do so. At that time, it was stated that should an investigation disclose the need for eliminating the differential, the OPA would allow it. The revised price schedule applies to the following counties: Archer, Baylor, Brown, Callahan, Clay, Coleman, Cooke, Eastland, Palo Pinto, Stephens, Wichita, Young and Montague. The advance, which was followed by all major purchasers in the area, became effective Dec. 11.

In recent years, it was pointed out, the volume of production in north and north central Texas has broadened to the point where a substantial amount of crude oil from those areas is moving both northward and southward to distant refineries. Formerly crude oil produced in those areas was largely refined locally. Concurrent with this change in conditions, there has been a relative decline in Oklahoma crude oil production while demand has been increasing for products and crude oil from both of these areas. The narrowing of the price differential, as approved by the OPA, takes cognizance of these developments in the relative positions of Oklahoma and north and north central Teaxs, the announcement pointed out.

The first action of the recently-created Petroleum Industry Council for National Defense will be a drive to prevent all waste of petroleum, currently under way, it was disclosed in Washington this week in an announcement by William R. Boyd, Jr., chairman of the executive committee of the Council. The executive committee, he said, has appointed a subcommittee of the Council to determine the character and nature of preventable waste of petroleum and to report appropriate measures "to publicize the necessity of a policy of national conservation of petroleum and its products" so that the cooperation of the public to this end be secured.

The move was made at the first meeting of the executive committee of the Council following its organization in Washington by Petroleum Coordinator Ickes on Dec. 8. The text of the resolution adopted by the committee follows: "Be it resolved that it is the sense of this committee that the emergency facing the country requires the prevention of all waste of petroleum and its products, and be it further resolved that the chairman be authorized to appoint a subcommittee of five members of the Council for the purpose of determining the character and nature of such preventable waste, and that this subcommittee report back to this committee, as promptly as possible, appropriate measures to publicize the necessity of a policy of rational conservation of petroleum and its products in order that the cooperation of the public in achieving this end may be secured."

Feature of the statewide proration hearing of the Texas Railroad Commission in Austin Monday was the disclosure that the Commission had received a wire from Deputy Petroleum Coordinator Davies requesting a hearing at some later date to consider the Texas quota that is being worked out to meet war requirements. The plan was reported to be ready for submission to the Commission within the immediate future. Increased production and storage was asked of the Commission, with some estimates indicating a gain of 1,000,000 barrels over the current allowable of 1,517,000 barrels. Both Humble Oil & Refining and the Pure Oil Co. asked increases of at least 1,000,000 barrels' storage. Applications were made to the Commission for increased allowables in various fields to meet demands for cold test lubricants and high octane gasoline crudes.

E. O. Thompson, chairman of the Commission, submitted without recommendation a plan suggested to him by a prominent independent operator which called for the plugging of one-half of the approximately 100,000 producing wells in Texas, with their part of the State total production allowable applied to the remaining wells, thus causing no change in the current allowable. Under the suggested program, the casing, tubing, all connections above ground, and the derrick, would be salvaged from the abandoned wells and used for drilling additional wells in other fields. It was estimated that if 10,000 of the approximately 26,000 wells in the East Texas field were plugged, with their allowables produced out of the remaining wells, it would release steel totaling 300,000 tons, valued at $30,000,000.

With news reports from all over the nation telling of test "blackouts" against possible air raids, oil men in the country's producing regions had new problems to worry them. First, is the problem of turning out all of the lights on the derricks of which there are some 25,000 in the East Texas area alone. Second, and most important, is the problem of what to do with the familiar gas flares which represent the burning of waste gas. If the flares are extinguished, and the gas allowed to accumulate it presents a potent source of danger not only to the wells but also, in the case of a wind, to neighboring towns or cities.

Daily average production of crude oil in the United States rose 1,600 barrels during the Dec. 13 week, totaling 4,109,550 barrels, according to the American Petroleum Institute. The total compared with estimated December market demand of 4,139,000 barrels, indicating that production again ran below the market demand as estimated by the United States Bureau of Mines. Sharp gains in California and Kansas offset lower production totals in the other major oil-producing States.

Total production of crude petroleum in 1940 broke all records, climbing 7% above the 1939 total to hit a peak of 1,353,214 barrels, according to the final report of the Bureau of Mines. The total was 3% above the previous high, set in 1937. Ralph K. Davies, Deputy Petroleum Coordinator, will speak at the dedication of the new Southeastern pipeline in Atlanta on Dec. 19.

Price changes follow:

Dec. 11.—The OPA announced approval of a 3-cent advance in north and north central Texas crude oil prices, initiated by Sinclair-Prairie Oil Marketing, which set a new price of $1.21 for top gravity.

Prices of Typical Crude per Barrel At Wells

(All gravities where A. P. I. degrees are not shown)

Bradford, Pa.	$2.75
Corning, Pa.	1.31
Eastern Illinois	1.22
Illinois Basin	1.37
Mid-Contin't, Okla., 40 and above	1.25
Smackover, Heavy	0.83
Rodessa, Ark., 40 and above	1.20
East Texas, Texas, 40 and above	1.25
Kettleman Hills, 37.9 and over	1.29
Pecos County, Texas	0.95
Lance Creek, Wyo.	1.12
Signal Hill, 30.9 and over	1.23

Refined Products

The price structure in the nation's gasoline markets continues to show contraseasonal strength, reflecting conditions created by the war in which the United States currently is engaged with the Axis powers and the general importance of gasoline in the national defense setup. Retail service stations prices, including taxes, as of the first of the current month were at their highest levels since November, 1937.

The net dealer's price as of Dec. 1, last, averaged 10.04 cents a gallon in 50 leading cities throughout the nation, according to a survey made by the American Petroleum Institute. This is fractionally better than the 10.02 cents a gallon price prevailing a month earlier and substantially above the 8.46-cent level recorded for the comparable 1940 date. The service station price, before taxes, was 14.07 cents, against 14.04 cents on Nov. 1 and 12.09 a year ago. Including taxes, service station prices of 20.02 cents a gallon were 2.03 cents a gallon above Dec. 1, last year, and fractionally above the Nov. 1 level of 19.99 cents.

Petroleum Coordinator Ickes placed the aviation gasoline branch of the industry on a wartime basis in orders issued over last week-end providing that no aviation gasoline can be made, sold or shipped without his approval. At the same time, Mr. Ickes announced, that with the approval of the Department of Justice, the anti-trust laws will not stand in the way of his efforts to provide ample supplies of this vital war necessity. Under the agreement with the Department of Justice, the oil companies will be permitted to engage in pooling operations, under the direction of Mr. Ickes, in order to speed production. The new orders apply also to high octane gasoline base stocks and the blending agents used in its manufacture. Refiners were also ordered to report on their existing contracts.

The orders of the Petroleum Coordinator followed a meeting in Washington on Dec. 10 of refiners of 100 octane gasoline and technical experts from all sections in the office of Deputy Petroleum Coordinator Davies where they heard reports from Army and Navy officers concerning the needs of aviation gasoline for our own air forces as well as those of our Allies. After the all-day meeting was ended, refiners and the Petroleum Coordinator's office revised their plans in order to hasten the program for maximum production with existing facilities and the speeding up of the construction of new refineries.

Published reports that reduction of the octane rating of regular gasoline would mean increased operating costs for American motorists running into hundreds of millions of dollars were denied in a statement issued Monday in Washingtaon by the Office of Price Administration which claimed that American motorists today are wasting millions of dollars in using higher grade gasoline than is required by their automobiles. The reduction of octane rating in gasoline available for civilian use is being considered because of the constantly expanding amounts of high-test gasoline required by the Army and Navy which has caused fears of a shortage of ingredients for high-grade gasoline for civilian consumption.

Further seasonal improvement in stocks of finished, unfinished and aviation gasoline developed during the week of Dec. 13 despite the unchanged refinery rate, the American Petroleum Institute disclosed. Inventories during the period under review were 1,066,000 barrels better than in the initial week of December at 87,422,000 barrels, which figure compared with holdings of 80,769,000 barrels on the comparable date a year earlier. Refinery operations held unchanged at 90.1% of capacity, with daily average runs of crude to stills totaling 3,997,000 barrels, against 3,945,000 barrels in the previous week. Production of gasoline of 13,610,000 barrels compared with 13,659,000 barrels in the Dec. 6 week.

The experiments of the Department of the Interior with strategic and critical materials indicate that, in an emergency, the United States can begin "full-scale" production of gasoline from coal at any time that "natural resources show signs of depletion," Secretary Ickes said in Washington this week. He stressed in his annual report to President Roosevelt, however, that there is no immediate shortage or lack of base petroleum supplies. The hydrogenation of coal, thus far confined to tests on a semi-commercial scale, could be started commercially "at any time" if needed vitally.

There were no price changes in the refined products markets this week.

U. S. Gasoline (Above 65 Octane), Tank Car Lots, F. O. B. Refinery

New York—	
Socony-Vac.	$.085
Tide Water Oil	.09
Texas	.085
y Shell Eastern	.085
Other Cities—	
Chicago	.06-.06⅛
Gulf Coast	.06-.06
Oklahoma	.06-.06⅛

y Super.

Kerosene, 41-43 Water White, Tank Car, F. O. B. Refinery

New York (Bayonne)	$.053
Baltimore	.0525
Philadelphia	.0525
North Texas	.04
New Orleans	4.25-4.625
Tulsa	.04⅝-.04¾

Fuel Oil, F. O. B. Refinery or Terminal

N. Y. (Harbor) Bunker C	$1.50
Diesel	2.15
Savannah, Bunker C	1.30
Philadelphia, Bunker C	1.50
Gulf Coast	$.85-.90
Halifax	1.70

Gas, Oil, F. O. B. Refinery or Terminal

N. Y. (Bayonne) 7 plus	$.04
Chicago, 28,30 D	.053
Tulsa	.03⅝

Moody's Commodity Index Advances

Moody's Daily Commodity Index advanced from 213.4 a week ago to 217.6 this Tuesday. The most important individual changes were in cotton, hog and wheat prices.

The movement of the index was as follows:

Tuesday, December 9	213.4
Wednesday, December 10	214.1
Thursday, December 11	217.1
Friday, December 12	218.0
Saturday, December 13	217.0
Monday, December 15	217.9
Tuesday, December 16	217.6
Two weeks ago, December 2	210.0
Month ago, November 15	208.6
Year ago, December 16	168.0
1940—High, December 31	171.8
Low, August 16	149.3
1941—High, September 9	219.9
Low, February 17	171.6

Condition of National Banks

The statement of condition of the National banks under the Comptroller's call of Sept. 24, 1941 has just been issued and is summarized below. For purposes of comparison, like details for previous calls back to and including Dec. 31, 1940 are included.

CONDITION OF NATIONAL BANKS IN THE UNITED STATES ON JUNE 29 AND DEC. 31, 1940, APR. 4, JUNE 30 AND SEPT. 24, 1941
[In thousands of dollars]

	Dec. 31, 1940 (5,150 banks)	Apr. 4, 1941 (5,144 banks)	June 30, 1941 (5,136 banks)	Sept. 24, 1941 (5,131 banks)
ASSETS	$	$	$	$
Loans and discounts, including overdrafts	10,027,773	10,427,466	10,922,483	11,470,256
U. S. Government securities, direct obligations	7,658,549	8,482,114	8,856,499	8,593,247
Obligations guaranteed by U. S. Government	2,094,056	1,113,876	2,279,453	2,534,541
Obligations of States and political subdivisions	2,008,472	2,147,574	2,020,242	2,068,091
Other bonds, notes, and debentures	1,694,058	1,634,616	1,590,191	1,606,133
Corporate stocks, including stock of Federal Reserve banks	212,905	209,456	208,409	203,946
Total loans and investments	*23,695,813*	*25,015,102*	*25,877,277*	*26,476,214*
Cash, balances with other banks including reserve balances, and cash items in process of collection	15,120,067	14,243,808	14,521,658	15,142,138
Bank premises owned, furniture and fixtures	594,398	598,722	592,897	591,544
Real estate owned other than bank premises	108,197	103,068	96,568	91,620
Investments and other assets indirectly representing bank premises or other real estate	62,415	62,439	61,764	60,629
Customers' liability on acceptances outstanding	47,154	45,736	49,977	39,492
Interest, commissions, rent, and other income earned or accrued but not collected	60,399	68,289	61,469	65,759
Other assets	45,519	55,857	53,025	53,710
Total assets	39,733,962	40,193,021	41,314,635	42,521,106
LIABILITIES				
Demand deposits of individuals, partnerships, and corporations	17,939,331	18,070,367	19,194,051	19,944,103
Time deposits of individuals, partnerships, and corporations	7,954,096	8,050,125	8,042,313	8,044,337
Deposits of U. S. Government, including postal savings	506,709	478,412	540,937	603,581
Deposits of States and political subdivisions	2,358,230	2,530,319	2,529,179	2,578,267
Deposits of banks	6,575,298	6,751,121	6,591,645	6,957,718
Other deposits (certified and cashiers' checks, etc.)	518,760	407,137	453,178	410,314
Total deposits	*35,852,424*	*36,287,481*	*37,351,303*	*38,538,320*
Bills payable, rediscounts, and other liabilities for borrowed money	3,127	2,430	2,005	9,275
Mortgages or other liens on bank premises and other real estate	110	101	59	59
Acceptances executed by or for account of reporting banks and outstanding	54,489	52,371	59,379	45,931
Interest, discount, rent, and other income collected but not earned	46,395	51,299	55,644	55,998
Interest, taxes, and other expenses accrued and unpaid	48,082	59,775	56,215	68,168
Other liabilities	192,937	167,198	191,889	171,034
Total liabilities	36,197,564	36,620,655	37,716,494	38,892,785
CAPITAL ACCOUNTS				
Capital stock (see memoranda below)	1,527,237	1,526,939	1,523,383	1,514,706
Surplus	1,309,533	1,319,321	1,336,090	1,350,710
Undivided profits	467,984	491,310	498,376	521,283
Reserves (see memoranda below)	231,644	234,796	240,292	241,622
Total capital accounts	3,536,398	3,572,366	3,598,141	3,628,321
Total liabilities and capital accounts	39,733,962	40,193,021	41,314,635	42,521,106
MEMORANDA				
Par value of capital stock:				
Class A preferred stock	182,019	175,651	171,260	159,527
Class B preferred stock	13,638	13,374	13,181	13,098
Common stock	1,333,816	1,399,894	1,340,705	1,343,743
Total	1,529,473	1,528,919	1,525,146	1,516,368
Retirable value of preferred capital stock:				
Class A preferred stock	233,280	224,711	219,908	207,724
Class B preferred stock	15,523	15,290	15,129	15,046
Total	248,803	240,001	235,037	222,770
Reserves:				
Reserve for dividends payable in common stock	5,381		6,667	
Reserve for other undeclared dividends	8,571	234,796	8,494	241,622
Retirement account for preferred stock	21,396		20,503	
Reserves for contingencies, etc	196,296		204,628	
Total	231,644	234,796	240,292	241,622
Pledged assets and securities loaned:				
U. S. Government obligations, direct and guaranteed, pledged to secure deposits and other liabilities	2,457,149	2,477,773	2,673,112	2,787,388
Other assets pledged to secure deposits & other liabilities, including notes and bills rediscounted and securities sold under repurchase agreement	644,363	629,253	601,405	580,382
Assets pledged to qualify for exercise of fiduciary or corporate powers, and for purposes other than to secure liabilities	89,741	89,113	100,882	101,866
Securities loaned	13,372	14,437	19,344	27,152
Total	3,204,625	3,210,576	3,394,743	3,496,788
Secured liabilities:				
Deposits secured by pledged assets pursuant to requirements of law	2,630,448	2,659,791	2,746,217	2,802,808
Borrowings secured by pledged assets, including rediscounts and repurchase agreements	2,558	2,064	1,984	8,613
Other liabilities secured by pledged assets	508	485	521	549
Total	2,633,514	2,662,340	2,748,722	2,811,970
Details of demand deposits:				
Deposits of individuals, partnerships, and corporations	17,939,331	18,070,367	19,194,051	19,994,103
Deposits of United States Government	463,368	436,830	498,900	566,645
Deposits of States and political subdivisions	1,998,658	2,212,054	2,200,817	2,267,161
Deposits of banks in the United States (including private banks and American branches of foreign banks)	6,121,622		6,151,745	
Deposits of banks in foreign countries (including balances of foreign branches of other American banks but excluding amounts due to own foreign branches)	355,707	6,647,921	337,633	6,853,773
Certified and cashiers' checks (including dividend checks), letters of credit and travelers' checks sold for cash, and amounts due to Federal Reserve banks (transit account)	518,760	407,137	453,178	410,314
Total demand deposits	27,397,446	27,774,309	28,836,324	30,041,996
Details of time deposits:				
Deposits of individuals, partnerships, and corporations:				
Savings deposits	7,129,006		7,152,681	
Certificates of deposit	510,887		504,332	
Deposits accumulated for payment of personal loans	48,418	8,050,125	55,138	8,044,337
Christmas savings and similar accounts	18,888		91,237	
Open accounts	246,897		238,925	
Total	7,954,096	8,050,125	8,042,313	8,044,337
Postal-savings deposits b	43,341	41,582	42,037	36,936
Deposits of States and political subdivisions	359,572	318,265	328,362	311,106
Deposits of banks in the United States (including private banks and American branches of foreign banks)	93,046		96,944	
Deposits of banks in foreign countries (including balances of foreign branches of other American banks but excluding amounts due to own foreign branches)	4,923	103,200	5,323	103,945
Total time deposits	8,454,978	8,513,172	8,514,979	8,496,324
Ratio of required reserves to net demand plus time deposits:				
Total, Central Reserve city banks	21.46%	21.52%	21.57%	26.60%
Total, Reserve city banks	13.94%	14.03%	14.10%	14.29%
Total, Country banks	8.34%	8.37%	8.45%	8.58%
Total, all member National banks	14.73%	14.81%	14.88%	14.93%

b Includes United States Treasurer's time deposits—open accounts.

Note.—Beginning with the call as of Oct. 2, 1939, and continuing with each subsequent spring and autumn call a "short" form, eliminating, schedules of loans and investments, etc., was adopted for obtaining condition reports of national banks. The abstracts covering each of such calls therefore contain fewer pages than the abstracts for the remaining calls made in the year.

Insolvent National Bank Dividends

Comptroller of the Currency Preston Delano announced on Dec. 3 that during the month ended Nov. 30, 1941, authorizations were issued to receivers for payments of dividends to the creditors of six insolvent national banks. Dividends so authorized will effect total distributions of $1,123,444 to 19,340 claimants who have proved claims aggregating $5,771,020, or an average payment of 19.47%. The minimum and maximum percentages of dividends authorized were 2.08% and 65.0%, while the smallest and largest payments involved in dividend authorizations during the month were $16,700 and $724,900, respectively. Of the six dividends authorized three were final dividend payments, two were regular dividend payments and one was a partial interest dividend payment. Dividnd payments so authorized during the month ended Nov. 30, 1941, were as follows:

DIVIDEND PAYMENTS TO CREDITORS OF INSOLVENT NATIONAL BANKS AUTHORIZED DURING THE MONTH ENDED NOV. 30, 1941

Name and Location of Bank—	Date Authorized	Distribution of Funds by Dividend Authorized	Total Percentage Authorized Dividends to Date	Amount Claims Proved
The Broad Street National Bk. of Red Bank, N. J.	11-13-41	$67,300	47.3%	$1,564,500
The First National Bank of Secaucus, N. J.	11-19-41	59,100	86.46%	914,800
The First National Bank & Trust Co. of Bedford, Pa.	11-21-41	16,700	102.08%	801,200
The Lehigh Valley National Bank of Bethlehem, Pa.	11-3-41	208,644	20.00%	1,043,220
The Keswick National Bank of Glenside, Pa.	11-22-41	724,900	65.00%	1,115,300
The Point Pleasant National Bk., Point Pleasant, W. Va.	11-14-41	46,800	94.1%	332,000

October Hotel Sales Advance

In their monthly report on the trend of business in hotels, Horwath & Horwath, New York hotel accountants, state that the total average increase in hotel business in October over the corresponding month of last year was held down by the slight rise of only 4% for the miscellaneous group, "All Others," which contrasts with increases ranging from 13 to 17% for this group in recent months. Forty per cent of the hotels it includes had lower sales than a year ago, most of them being in the Middle West. In Pittsburgh a hotel strike caused considerable loss of business. Again from the Atlantic Seaboard States come reports of substantial increases. The firm's bulletin further states:

Washington as usual reported heavy business, the average occupancy being 86%. Philadelphia made an exceedingly good showing with an occupancy of 67%, which, though below the country-wide average of 71%, is the best monthly average for that city in 14 years. In New York City room sales were down slightly but food and beverages were up a little. Cleveland reported a sales decrease because its convention businss was sharply under that a year ago, though the occupancy was down only 1 point. While Chicago had an average increase of 9%, quite a large proportion of hotels had decreases.

The average occupancy for the entire country, 71% is the highest for this year and the best for the month of October since 1929. Room rates rose 5%, which is 2 points above the average to date.

OCTOBER, 1941, COMPARED WITH OCTOBER, 1940

	Sales, Increase or Decrease					Occupancy		†Room Rate
	*Total	Rooms	Total Restaurant	Food	Beverages	Oct., 1941	Oct., 1940	Increase or Decr.
New York City	+ 2%	— 1%	+ 6%	+ 5%	+ 9%	76%	77%	0
Chicago	+ 9	+ 9	+ 9	+ 7	+12	75	73	+ 6%
Philadelphia	+43	+43	+42	+38	+49	67	51	+10
Washington	+24	+23	+25	+23	+32	86	75	+ 6
Cleveland	— 1	— 2	+ 2	+ 4	— 5	74	75	0
Detroit	+ 8	+10	+ 6	+ 9	+ 2	75	70	+ 3
Pacific Coast	+20	+17	+23	+21	+26	61	55	+ 7
Texas	+12	+12	+12	+14	+ 2	73	68	+ 4
All others	+ 4	+ 5	+ 3	+ 5	+ 1	70	70	+ 5
Total	+ 7%	+ 7%	+ 8%	+ 8%	+ 7%	71%	70%	+ 5%
Year to date	+ 8%	+ 7%	+10%	+10%	+10%	68%	65%	+ 3%

†The term "rates" wherever used refers to the average sales per occupied room and not to scheduled rates. *Rooms and restaurant only.

Nov. Syndicate Store Sales 13% Over 1940

During November "5 & 10" sales enjoyed a substantial recovery which brought them nearly to the best levels of the year. As measured by the Syndicate Store Merchandiser's seasonally adjusted Sales Index, issued Dec. 11, average daily volume per store in November rose to 130.2% of the 1935-39 average from 126.8 in October. This compares with 130.9 in August and 111.4 in November of last year.

Actual sales of 12 leading 5c & 10c to $1.00 variety syndicates, which totaled $96,969,049, showed a gain of 13.2% over November, 1940, which month had one more business day than was the case this year. For the year to date total sales of these chains have amounted to $896,729,735, representing an improvement of 13.4% over the similar period of last year.

NOVEMBER, 1941
5c & 10c TO $1.00 SYNDICATE STORE SALES

	November 1941	November 1940	Pct. Chg.	11 Months 1941	11 Months 1940	Pct Chg.
F. W. Woolworth	$33,775,951	$29,687,157	+13.7	$314,132,930	$280,889,179	+12.0
S. S. Kresge	15,847,758	14,179,322	+11.8	146,554,871	131,798,910	+11.2
W. T. Grant	12,169,948	10,628,238	+14.5	104,706,117	91,020,596	+15.0
S. H. Kress	8,458,093	7,659,137	+10.4	84,013,613	72,567,731	+15.8
G. C. Murphy	5,608,205	4,884,341	+14.8	52,616,742	44,323,584	+18.7
J. J. Newberry	5,522,951	4,937,959	+11.8	52,065,700	45,917,254	+14.1
H. L. Green	4,899,204	4,394,561	+11.5	43,642,227	39,133,181	+11.5
McCrory Stores	4,654,915	4,057,712	+14.7	43,614,829	38,180,219	+14.2
McLellan Stores	2,435,850	2,134,169	+14.1	22,490,379	19,434,619	+15.7
Neisner Bros.	2,400,821	2,107,126	+13.9	21,693,820	18,843,379	+15.1
Rose's Stores	734,624	566,227	+29.7	6,260,288	4,968,396	+26.0
M. H. Fishman	460,729	416,982	+10.1	4,398,219	3,918,489	+12.2
Total, 12 Synd.	$96,969,049	$85,652,931	+13.2	$896,729,735	$790,995,537	+13.4

Auction Sales

Transacted on Wednesday, Nov. 26, by R. L. Day & Co., Boston.

Shares	Stocks	$ per Share
7	Somerville Trust Co., common, Somerville, par $100	60
75	Lexington Trust Co., Lexington, par $20	40¼
97	Pierce Manufacturing Co., par $100	$25 lot
100	Pierce Manufacturing Co., par $100	$31 lot
200	Goldfield Deep Mines Co. assessment 1-21 paid, par 5 cents	$2 lot
5	Stoneham Trust Co., par $10	
110	Manchester Gas Co. (N. H.), common, par $100	1
25	State Street Exchange, par $100	85c
40	Central Building Trust, par $100	75c
750	Pawn Mining Co., Ltd., par 50 cents	$1 lot
100	The Metropolitan Corp., par $100	$500 lot
25	Rumbletop Corp., common	$25 lot
25	Rumbletop Corp., convertible preferred, par $100	
50	Boston Insurance Exchange Building, Inc., preferred	
56½	Boston Insurance Exchange Building, common B	$625 lot
3	Bird & Son, Inc., preferred, par $100	
60	Bird & Son, Inc., common	
30	Amity Harbord Corp., par $100	$4 lot
10	Bergen Associates, Inc., par $100	
6,000	Durbar Gold Mines, Ltd., par $5	$2 lot
210	Victoria Gypsum Co., common V. T. C.	$25 lot
7	N. Y., N. H. & Hartford, common, par $100	
38	Springfield Mortgage Corp., capital, par $100	
6,250	Surety Gold Mining Co., capital, par $1	
11	The Phelps Publishing Co., capital	
60	East Springfield Home Builders Co., capital, par $10	
10	Agawam Racing & Breeders' Association, Inc., capital	$200 lot
$500	Agawam, income debentures 4s, Jan. 2, 1943	
10	Adaskin Tilley Furniture Co., preferred, par $100	
60	General Mortgage & Loan Corp., preferred	
60	Home Builders Mortgage Corp., preferred, par $10	
85	Hampden Mortgage Corp., preferred, par $10	
20	Missouri Pacific RR., preferred, par $100	$1¼ lot
100	Utilities Power & Light, common, par $1	
1,000	Durbar Gold Mines, Ltd., par $5	$1 lot
20	National Service Cos., common	
19	National Service Cos., $3 preferred	$4 lot
11	National Service Cos., $4 preferred	
100	National Service Cos., common	
63	National Service Cos., $3 preferred	$12 lot
50	National Service Cos., $4 preferred	
400	White Metal & Mining Co., par $5	$1 lot
100	Lincoln Motors, class A certificate deposited	$5 lot
100	National Service Cos., $3 preferred	$15 lot
100	National Service Cos., common	
500	Stanley Engineering, Inc.	$25 lot
124	City Associates, $300 paid in liquidation, par $50	4
50	Pemberton Building Trust, par $100	3
Bonds		**Price**
$5,300	Professional Center Building 5s, July, 1947, coupon January, 1933, and sub. on	$1 lot
$1,000	The Rivers School, class A income April 1, 1950, registered	$18 lot

Transacted by R. L. Day & Co., Boston on Wednesday, Dec. 3.

Shares	Stocks	$ per Share or per Lot
52	Manufacturers Central National Bank, Lynn, par $20	10¼
$333.33	Central Assets Trust	2 lot
41	Pierce Manufacturing Co., par $100	5 lot
62	Chicago & Northwestern RR. Co., common (old), par $100	1 lot
250	Trustees of One State Street, class A	250 lot
50	Hotel Hamilton Trust, preferred	9 lot
185	San-Man Chocolates Co., common, par $100	15 lot
10	The Land Co. of Florida, common	
5	Self Feeding Carburetor Co., Inc.	1 lot
53½	United States Electric Power Corp., common, par $1	
20	United States Electric Power Corp., temp. ctf. W. W., par $1	
200	Southern Ice Co., common del., par $1	1,100 lot
100	Southern Ice Co., 7% preferred del.	
25	Woodbury Building Trust	25 lot
33	Devonshire Building Trust, common, par $100	2½ lot
2,376	National Boston Montana Mines, par $1	2 lot
25	Woodbury Building Trust	45 lot
$6,000	Fifth Madison Corp., second 6s, April 1, 1953, reg.	
$1,476.29	Fifth Madison Corp. second 6s, non-interest bearing certificate	
120	Fifth Madison Corp., class A, par $1	330 lot
12½	Juanajuato Reduction & Mines Co., B	
7,500	United Mercury Mines, par 10 cents	
300	Gray Realty Co., Inc., preferred, par $10	1 lot
1,800	National Service Cos., common, par $1	15 lot
40	I. B. Corp.	101 lot
160	Raymond-Whitcomb, Inc., prior preferred	2¾ lot
10	Home Mortgage Co., common	
50	Home Mortgage Co., preferred, par $5	2 lot
$1,000	Home Mortgage Co., 5s, Jan. 15, 1936	
4,000	El Canada Mines Co., Ltd., par $1	20 lot
2	Nashua Gummed & Coated Paper Co., common	61 lot
300	National Service Cos., $3 preferred	31 lot
450	Ozark Corp., common	9 lot
200	Temblor Oil, par $5	
500	Massachusetts Building, par $100	13 lot
400	Minton Vacuum Dryer Corp.	1 lot
2,650	Doreva Gold Mines, par $1	3 lot
4	H. M. Byllesby & Co., class A	1½ lot
50	H. M. Byllesby & Co., class B	
20	Trustees of One State Street, class A	20 lot
140	Industrial Development Corp., temporary certificates, par $1	
2,200	Cripple Creek Mining & Milling Co., common, par $1	3 lot
40	The Grelle Club Corp., common, New Haven	1 lot
40	The Grelle Club Corp., preferred, New Haven, par $25	
500	Quincy Mining Co., $24.50 paid, par $25	250 lot
75	Bassani Processes, Inc., common	54 lot
10,200	Cripple Creek Mining & Milling, Ltd., par $1	15 lot
100	Elkland Leather Co., Inc., par $100	120 lot
20	Pemberton Building Trust, par $100	3¼
600	Pioneer Petroleum Co., par $5	7 lot
151	Kimball Building Trust, par $100	71 lot
8	Massachusetts Building, par $100	
250	Petroleum Rights Corp., preferred, par $100	10 lot
400	Petroleum Rights Corp., common	
60	Central Building Trust, par $100	70c
10,000	Hultene Rubber Corp., common, par $1	5 lot
5,000	Hultene Rubber Corp., 6% preferred, par $1	
8	Adams Building Trust, $7 cumulative preferred, par $100	
1	Adams Building Trust, common	
1	Federal Investment Trust, common	
5	Federal Investment Trust, 8% cumulative preferred, par $100	45 lot
1	Washington (D. C.) Investment Trust, preferred, par $100	
1	Federal Investment Trust, common	
3	Federal Investment Trust, 8% cumulative preferred, par $100	
1	Boston Chamber of Commerce Realty Trust, 1st pref. par $100	
10	Hodges Carpet Co., par $100	
75	Ozark Corp., common (old stock)	
30	Empire Corp.	
35	Empire Public Service Corp., class A common	
100	Jay Copper-Gold Mines, Ltd., par $1	27 lot
1,000	Consolidated Tin Corp., Ltd.	
$2,000	Central Public Utility, income 5½s, 1952	
67	Empire State Bancorporation, class B	
20	Lafayette Hotel Co., Ltd., 7% cumulative preferred	
10	Fred T. Ley Co.	1 lot
Bonds		
$1,000	Chicago, North Shore & Milwaukee RR. Co. 1st & ref. mtge. 6s, Jan. 1, 1955, series A, coupon July, 1933 and sub. on	22 lot
$534	Conveyancers Title Insurance & Mortgage Co. insured first mortgage, series D 1-4½s, March, 1946	20¼ lot
$3,000	Danzig Port & Waterways extended sinking fund 6½s, July, 1952, coupon January, 1939, stamped and sub. on	3¾ lot

Transacted at Barnes & Lofland, Philadelphia, on Wednesday, Dec. 3.

Shares	Stocks	$ per Share or per Lot
100	Pennsylvania Forge Corp., par $1	7¾
349	Guarantee Trust Co., Atlantic City, N. J., common, par $10	10c
150	Haddonfield National Bank, N. J., capital, par $5	6 lot
210	Bank of Philadelphia and Trust Co., par $10	1 lot
153 980/3000	Equitable Trust Co., Atlantic City, preferred, par $10	87 lot
77 944/3000	Equitable Trust Co., Atlantic City, preferred, par $10	44 lot
3	Southwestern Market Co. ($25 paid in, subject to $10 assessment due), common, par $50	8¼
75½	Alden Park Corp., no par	50c
20	F. A. Poth's Sons, Inc., preferred, par $5	1 lot
10	F. A. Poth's Sons, Inc., common, par $1	1 lot
55	Parkview Beachfront Co., "B" common, no par	3
24	Parkview Beachfront Co., "B" common, no par	3
25	Ocean City Automobile Bridge Co., common, par $1	3 lot
25	Ocean City Automobile Bridge Co., preferred, par $50	10 lot
10	Pocono Hotels Corp., preferred, par $100	96 lot
10	Pocono Hotels Corp., common, no par	
110	Skinner Organ Co., no par	50c
100	Utilities Power & Light Corp., class A, par $1	1 lot
10	Pocono Hotels Corp., preferred, par $100	93 lot
10	Pocono Hotels Corp., common, no par	
200	Seaboard Utilities Shares Corp., common, no par	1 lot
210	Mid-West States Utilities Co., "A," common, no par	1 lot
130	Central Trust & Savings Co., capital, par $10	1 lot
6	Seabay Co., par $100	1 lot
75	Madaras Rotor Power Corp.	1 lot
50	South American Utilities Corp., $4 preferred	1 lot
45	South American Utilities Corp., common	1 lot
540/1,000	Canadian Colonial Airways, Inc., scrip	6 lot
200	Seaboard Utilities Shares Corp., common, no par	1 lot
Bonds		
$250	Manufacturers Country Club proprietary certificate	1 lot
$250	Athletic Club of Philadelphia, second 5s	1 lot
$2,000	Hoopes & Townsend Steel Co., first mortgage 7% 15-year sinking fund, dated 3-1-24, registered C/D, stamped	11 lot
$19,040	Suburban Co., debenture, income 6s, 1943	390 lot

Statutory Debt Limitation As Of Nov. 30, 1941

The Treasury Department made public on Dec. 4 its monthly report showing the face amount of public debt obligations issued under the Second Liberty Bond Act (as amended) outstanding Nov. 30, 1941, totaled $55,764,444,081 thus leaving the face amount of obligations which may be issued subject to the $65,000,000,000 statutory debt limitation at $9,235,555,919. In another table in the report the Treasury indicates that from the total face amount of outstanding public debt obligations ($55,764,444,081) should be deducted $1,295,526,894 (the unearned discount on savings bonds), reducing the total to $54,468,917,187, and to this figure should be added $570,902,740, the other public debt obligations outstanding, which however, are not subject to the debt limitation. Thus, the total gross public debt outstanding on Nov. 30 is shown as $55,039,819,927.

The following is the Treasury's report as of Nov. 30:

Section 21 of the Second Liberty Bond Act, as amended, provides that the face amount of obligations issued under authority of that Act "shall not exceed in the aggregate $65,000,000,000 outstanding at any one time."

The following table shows the face amount of obligations outstanding and the face amount which can still be issued under this limitation:

Total face amount that may be outstanding at any one time			$65,000,000,000
Outstanding as of Nov. 30, 1941:			
Interest-bearing:			
Bonds—			
Treasury	$31,764,998,750		
Savings (maturity value)*	6,915,203,300		
Depositary	62,171,000		
Adjusted service	734,339,806		
		$39,476,712,856	
Treasury notes	$11,730,504,825		
Certificates of indebtedness	2,724,550,000		
Treasury bills (maturity value)	1,703,300,000		
		16,158,354,825	
		$55,635,067,681	
Matured obligations, on which interest has ceased		129,376,400	
			55,764,444,081
Face amount of obligations issuable under above authority			$9,235,555,919

RECONCILEMENT WITH DAILY STATEMENT OF THE UNITED STATES TREASURY NOV. 30, 1941

Total face amount of outstanding public debt obligations issued under authority of the Second Liberty Bond Act, as amended		$55,764,444,081
Deduct, unearned discount on savings bonds (difference between current redemption value and maturity value)		1,295,526,894
		$54,468,917,187
Add other public debt obligations outstanding but not subject to the statutory limitation:		
Interest-bearing (pre-war, &c.)	$196,046,600	
Matured obligations on which interest has ceased	12,103,115	
Bearing no interest	362,753,025	
		570,902,740
Total gross debt outstanding as of Nov. 30, 1941		$55,039,819,927

*Approximate maturity value. Principal amount (current redemption value) according to preliminary public debt statement, $5,619,676,406.

U. S. Alone Can Produce Three Tons Of Steel For Every Two Axis Powers Can Produce

The United States alone can produce three tons of steel for every two tons that can be made by Germany, Italy, Japan and all the Axis-dominated countries of the world put together, according to a survey of the American Iron and Steel Institute released on Dec. 12, which adds that the combined steel capacity of the United States, the British Empire, and Russia is considerably more than twice the Axis total.

By the close of the current year, the American steel industry will have capacity for producing approximately 88,000,000 net tons of steel per year, the survey states. On the basis of the latest information available, approximately 60,600,000 tons per year can be produced by Germany, Japan, and all continental European steelmaking nations except Russia.

The steel capacity of the British Empire is cited by the Institute at approximately 20,600,000 tons per year, while that of Russia is about 21,800,000 tons. Together with the steel capacity of the United States, this would be about 130,400,000 tons per year, or nearly 120% more than that of the Axis.

About 60% of the Russian steel capacity is believed to be located in the central and southern areas of that country. The Institute points out that if Russia should lose the entire steel capacity of those areas, approximately 117,300,000 tons of steel could still be produced annually by the American and British Empire steel industries plus the remaining 40% of Russian steelmaking capacity. By comparison, the Axis and Axis-dominated countries could make only about 73,700,000 tons of steel per year even though they could operate at full capacity all the steelmaking facilities in central and southern Russia, which seems doubtful.

The steel mills of Germany, Austria, Czechoslovakia and Poland have produced as much as 29,600,000 tons of steel per year, equivalent to about half the total steel capacity owned by Axis and Axis-dominated countries. French steel capacity is estimated at 10,700,000 tons, the tonnage actually produced in 1929. In no succeeding year, however, did French steel output come within 12% of that total. It is likewise necessary to go back to 1929 to establish peak production and probable capacity in Belgium, 4,500,000 tons, and in Luxembourg 3,000,000 tons.

Japan's steel capacity is about 7,100,000 tons per year, based on 1940 output, while Italian steel capacity is about 3,000,000 tons, the production peak reached in 1939.

The steel production of Hungary, Spain and Sweden, together, can produce about 2,700,000 tons of steel annually based on past performance.

The Institute further goes on to say: "Of possible significance is the fact that France, Belgium and Luxembourg, conquered by Germany in the 1940 campaigns, reached their peak of steel production in 1929, and failed to reach that level in any later year. On the other hand, Germany's steel production in 1935 was almost back to the 1929 level, and German output from 1936 through 1940 was in excess of 1929.

"Similarly, the present estimated capacity of the United States, the United Kingdom and British Dominions, and likewise Russia is much greater than in 1929. American steel capacity, for example, will by the end of 1941 be 20% greater than in 1929.

"Steel production in the United Kingdom reached a peak of 15,100,000 tons in 1939, and is said to have dropped only slightly below that total in 1940 despite bombings and the blockade. Canada and South Africa are each establishing new production records in 1941 as Canada produces 2,600,000 tons and South Africa 400,000 tons.

"Data for 1941 are not available for Australia and India, but in each case the output of steel in 1940 represented a new peak. Australia produced 1,300,000 tons last year, and India 1,200,000 tons. The Russian steel industry achieved its maximum recorded output in 1940."

Argentina's 2nd Bond Conversion Succeeds

Argentina's second mammoth bond conversion, affecting national mortgage bonds totaling over 1,300,000,000 pesos, has been an unqualified success, indicating the great strength of the Argentine money market, according to an announcement made Dec. 5 by the Argentine Information Bureau in New York. Under this operation, 5% and 4½% mortgage bonds were convertible into new taxable 4% issues. It is now announced that of the total bonds affected, amounting to 1,368,000,000 pesos, requests for conversion totaled 1,247,485,325 pesos. Redemption applications amounted to only 20,676,000 pesos.

This operation followed the recent successful conversion in Argentina of internal bonds totaling about 2,700,000,000 pesos, which were converted from 5% and 4½% bonds into new taxable 4% issues.

A previous item concerning these conversions appeared in these columns of Dec. 4, page 1356.

Market Value Of Stocks On New York Stock Exchange Declined In November

The New York Stock Exchange announced on Dec. 4 that as of the close of business Nov. 29, 1941, there were 1,234 stock issues aggregating 1,464,476,868 shares listed on the New York Stock Exchange, with a total market value of $37,882,316,239. This compares with 1,236 stock issues, aggregating 1,465,181,804 shares, listed on the Exchange on Oct. 31 with a total market value of $39,057,023,174 and with 1,234 stock issues, aggregating 1,457,084,734 shares having a total market value of $41,848,246,961 on Nov. 30, 1940.

As of the close of business Nov. 29, 1941, New York Stock Exchange member total net borrowings amounted to $435,717,673. The ratio of these member borrowings to the market value of all listed stocks on that date was, therefore, 1.15%. As the above figure includes all types of member borrowings, these ratios will ordinarily exceed the precise relationship between borrowings on listed shares and their total market value.

In the following table listed stocks are classified by leading industrial groups with the aggregate market value and average price for each:

	—Nov. 29, 1941—		—Oct. 31, 1941—	
Group—	Market Value $	Average Price $	Market Value $	Average Price $
Amusement	282,373,420	13.56	287,909,692	13.45
Automobile	2,717,991,441	22.62	2,855,738,823	23.77
Aviation	580,686,336	17.93	577,384,573	17.83
Building	406,555,249	18.68	413,613,551	19.04
Business and office equipment	275,810,261	23.58	279,977,422	23.93
Chemical	5,387,997,866	56.35	5,370,174,717	56.73
Electrical equipment	1,172,257,807	29.28	1,199,278,039	30.08
Farm machinery	559,035,260	42.65	579,496,376	44.21
Financial	737,783,223	14.36	758,111,694	14.76
Food	2,535,811,033	27.04	2,596,867,532	27.68
Garment	41,251,474	24.64	42,272,407	25.23
Land and realty	15,193,964	3.12	14,999,125	3.08
Leather	180,643,410	21.54	186,998,544	22.30
Machinery and metals	1,289,195,116	19.09	1,365,853,207	20.22
Mining (excluding iron)	1,340,588,545	22.68	1,387,438,750	23.47
Paper and publishing	367,233,592	16.59	389,968,477	17.62
Petroleum	4,374,562,423	22.75	4,353,174,713	22.64
Railroad	2,774,757,074	24.88	2,880,718,589	25.87
Retail merchandising	2,023,025,895	27.59	2,141,987,481	29.21
Rubber	348,621,574	32.92	348,320,613	32.89
Ship building and operating	100,153,719	23.37	100,280,889	23.40
Shipping Services	8,699,320	4.74	9,381,330	5.11
Steel, iron and coke	2,037,544,836	40.09	2,103,306,810	41.39
Textiles	317,006,220	23.32	322,104,563	23.69
Tobacco	1,096,206,245	41.00	1,203,718,652	45.02
Utilities:				
Gas and electric (operating)	1,690,334,615	18.30	1,782,526,330	19.29
Gas and electric (holding)	812,568,798	8.48	857,354,709	8.95
Communications	3,149,471,056	76.51	3,279,643,860	79.67
Miscellaneous	79,789,788	10.96	78,598,414	10.01
U. S. companies operating abroad	490,860,013	14.91	477,871,174	14.51
Foreign companies	629,039,887	15.54	698,226,976	17.25
Miscellaneous businesses	109,266,779	18.61	113,725,142	19.37
All listed stocks	37,882,316,239	25.87	39,057,023,174	26.66

We give below a two-year compilation of the total market value and the average price of stocks listed on the Exchange:

	Market Value	Average Price		Market Value	Average Price
1939—			1940—		
Aug. 31	$41,652,664,710	$29.12	Oct. 31	$42,673,890,518	$29.38
Sept. 30	47,440,476,682	33.15	Nov. 30	41,848,246,961	28.72
Oct. 31	47,373,972,773	33.11	Dec. 31	41,890,646,959	28.80
Nov. 30	45,505,228,611	31.79	1941—		
Dec. 30	46,467,616,372	32.37	Jan. 31	40,279,504,457	27.68
1940—			Feb. 28	39,398,228,749	27.08
Jan. 31	45,636,655,548	31.68	Mar. 31	39,696,269,155	27.24
Feb. 29	46,058,132,499	31.96	Apr. 30	37,710,958,708	25.78
Mar. 30	46,694,763,118	32.34	May 31	37,815,306,034	25.84
Apr. 30	46,769,244,271	32.35	June 30	39,607,836,569	27.07
May 31	36,546,583,208	25.26	July 31	41,654,256,215	28.46
June 29	38,775,241,138	26.74	Aug. 30	41,472,032,904	28.32
July 31	39,991,865,997	27.51	Sept. 30	40,984,419,434	28.02
Aug. 31	40,706,241,811	28.00	Oct. 31	39,057,023,174	26.66
Sept. 30	41,491,698,705	28.56	Nov. 29	37,882,316,239	25.87

Corporate Profits Show 3rd Quarter Advance

The Federal Reserve Board of New York reports that its seasonally adjusted index of the net profits of 167 commercial and industrial companies rose approximately 10% between the second and third quarters of 1941, primarily as a result of a more favorable showing by the automotive industry than is usual during the third quarter. The bank's study, presented in its "Monthly Review" for December, indicates that corporation profits showed no great change during the first nine months of 1941, while industrial production, under the stimulus of the defense effort, was rising rapidly to record high levels. Ordinarily fluctuations in production are reflected to a large extent in corresponding changes in net profits, with profits rising or falling at a faster rate than production. During the past nine months, however, increases in taxes, together with higher wage and material costs, have reached such proportions as to offset, in large measure, the effect on profits of the increased volume of sales together with associated reductions in costs per unit. At current levels profits of these corporations are 20% below the 1929 peak, although the volume of production is about 40% greater. The bank's analysis continues:

A compilation of the aggregate sales, expense, and profit and loss data published by 60 companies indicates that for the first nine months of 1941 gross sales of this group rose approximately $1,570,000,000, or some 45% above those in the corresponding period of 1940. Profits, before Federal tax accruals, rose 96% while profits, after Federal taxes, were 21% larger than in the first nine months of 1940; the aggregate amount set aside for Federal taxes was approximately four times the amount in the comparable period of 1940.

The accompanying table shows that reported net profits of a broader list of 401 commercial and industrial companies during the third quarter were 41% larger than a year earlier. This rather large gain is attributable in part to the fact that last year's reported third quarter earnings generally were restricted by deductions for retroactive tax charges (under the Second Revenue Act of 1940) applicable to the first six months of that year, whereas during the 1941 third quarter such retroactive charges were less common because corporations had to a large extent anticipated the increases in tax rates provided for in the Revenue Act of 1941. Other important factors were the high third quarter automobile earnings referred to previously and a substantial increase in steel company profits. Net profits of petroleum companies also were much larger than a year earlier as a result of a higher price structure for petroleum products and a continued large demand.

For the first nine months of the year net profits of this same group of 401 companies were 26% above the level for the corresponding period of 1940. All groups, with the exception of bakery products, gold and silver mining, and cigar companies, had larger profits than in 1940. The largest percentage gains occurred in the motion picture, coal mining, lumber and roofing products, hardware, and copper and brass fabricating groups. In general, gains in net profits over 1940 were the greatest in companies producing durable goods; 185 such companies included in the table showed an aggregate gain over 1940 of 32%, while profits of 33 mining companies rose 17%, and 183 companies in the nondurable goods and service lines showed an increase of 20%. Profits in durable goods industries generally fluctuate much more widely than profits in nondurable goods industries.

Owing to the large volume of freight traffic and also to general exemption from payment of excess profits taxes because earnings are still relatively low on the large amounts of invested capital, net income, after all charges, of Class I railroads aggregated $188,000,000 during the September quarter, as compared with $70,000,000 during the corresponding period of 1940. For the full nine months net income was about six times that of 1940, amounting to approximately $360,000,000 as against $61,000,000 a year before, and was the largest since 1930. Net income of other public utilities (excluding telephone companies) showed a year-to-year decline of 6% and 1% respectively, during the third quarter and the nine months periods.

(Net Profits in Millions of Dollars)

	No. of	—Third Quarter—			—First nine months—		
Corporation Group—	cos.	1937	1940	1941	1937	1940	1941
Advertising, printing & publishing	6	1.5	2.4	2.6	9.5	8.2	8.3
Aircraft manufacturing	5	2.2	11.3	15.6	5.8	23.3	32.2
Automobiles	13	53.8	15.1	58.7	199.9	160.5	207.0
Automobile accessories (excl. tires)	32	11.0	6.9	12.9	46.4	34.1	44.2
Building materials:							
Hardware	4	0.9	0.9	1.4	3.8	2.4	4.2
Heating and plumbing	7	5.2	5.0	4.6	12.5	8.2	11.2
Lumber and roofing	6	2.9	2.9	4.1	8.0	6.0	10.5
Other	11	9.5	7.5	6.7	28.5	22.4	22.8
Chemicals	26	37.8	33.9	39.5	119.9	112.7	119.8
Copper and brass fabricators	4	1.8	1.8	2.9	8.4	5.6	9.6
Drugs, cosmetics, and soaps	11	13.1	13.2	17.4	44.4	44.5	53.4
Electrical equipment	12	17.2	14.0	16.5	53.8	47.8	54.2
Foods:							
Bakery products	8	6.3	4.7	4.2	15.5	13.6	12.7
Beverages	5	3.0	2.5	5.9	10.5	8.2	12.3
Confectionery	7	5.0	4.8	5.3	14.1	14.8	16.5
Flour milling & cereal products	6	4.2	5.1	7.2	15.9	19.0	22.5
Other	8	7.1	7.5	11.6	25.1	25.3	31.8
Industrial machinery & accessories	28	14.2	7.9	13.2	42.5	25.8	37.2
Mining:							
Coal	12	—0.4	2.1	3.8	0.1	4.8	8.5
Copper	5	11.7	9.6	13.5	40.0	34.4	44.5
Gold and silver	9	6.1	4.6	4.0	19.9	18.2	12.3
Other	7	16.5	10.7	11.7	49.5	33.5	35.1
Motion pictures	4	4.0	0.8	4.3	13.4	4.8	10.3
Office equipment	9	5.0	3.1	7.3	18.6	13.1	20.5
Paper and paper products	14	6.6	8.9	9.7	19.5	23.9	24.1
Petroleum	34	59.1	23.2	51.2	150.4	83.7	118.8
Railroad equipment	12	9.8	7.1	7.2	32.0	21.2	27.9
Steel and iron	32	69.7	77.2	75.6	216.7	172.2	234.4
Stores	12	8.4	9.1	9.8	23.0	20.7	22.1
Textiles	9	2.3	3.5	3.6	9.0	9.7	10.8
Tobacco (cigars)	5	1.1	1.3	1.2	2.4	3.3	3.3
Miscellaneous	38	10.9	10.9	17.2	21.6	21.2	32.2
Total, 32 groups	401	407.5	319.5	450.4	1,280.5	1,042.1	1,314.3
Class I railroads (net income)	137	42.5	69.8	188.4	81.4	60.7	359.7
Other public utilities (excl. telephone companies) net income	62	55.7	54.3	50.8	185.0	193.7	191.8

— Deficit.

SEC Issues Two Industry Reports

The SEC has made public the fourth and fifth of a new series of industry reports of the Survey of American Listed Corporations. These reports cover the calendar years of 1939 and 1940 and extend earlier reports which generally covered the period 1934-1939. Balance sheets and profit and loss statements, expressed both in dollars and percentages, as well as surplus statements and financial ratios, are presented for individual companies and for the industry group as a whole in uniform tabular form which permits easy reference and comparison. Reference to previous reports in the series as made in our issue of Dec. 4, page 1342.

As to report No. 4, issued Nov. 28, the Commission had the following to say:

Report No. 4 covers companies engaged primarily in the manufacture of agricultural machinery and tractors which had securities registered under the Securities Exchange Act of 1934 at Dec. 31, 1940. This group of registrants comprises practically all of the large companies in this industry during the period covered. A majority of the companies in this industry have negotiated prime defense contracts.

The 10 corporations included in this report are:

Allis-Chalmers Manufacturing Co.
B. F. Avery & Sons Co.
J. I. Case Co.
Caterpillar Tractor Co.
The Cleveland Tractor Co.
Deere & Co.
International Harvester Co.
Minneapolis-Moline Power Implement Co.
New Idea, Inc.
Oliver Farm Equipment Co.

Combined sales reported by the entire group amounted to $634,000,000 in 1940 compared with $535,000,000 in 1939. Net profit after all charges totaled $53,000,000 in 1940 against $31,000,000 in 1939, equivalent to 8.3% and 5.9% of sales or 8.5% and 5.3% of net worth at book value. Total dividends paid out by these enterprises were $30,000,000 in 1940 against $25,000,000 in 1939. The combined assets of these 10 enterprises totaled $821,000,000 at the end of 1940 compared with $763,000,000 at the end of 1939, while surplus increased to $194,000,000 at the end of 1940 from $172,000,000 at the end of 1939.

Report No. 5 of the series was made available on Dec. 5 and an announcement by the SEC thereon said:

Report No. 5 covers two groups of companies in closely related industries, one composed of the companies engaged primarily in the manufacture of automobiles, but in several important instances other types of vehicles and products as well, and the other of companies primarily manufacturing commercial cars and trucks. All of the corporations in these two groups had securities registered under the Securities Exchange Act of 1934 at Dec. 31, 1940. The group comprising the manufacturers of automobiles includes, with one major exception, all of the companies in the industry during the period covered.

The 10 corporations comprising the automobile group are:

Checker Cab Manufacturing Co.
Chrysler Corp.
General Motors Corp.
Graham-Paige Motors Corp.
Hudson Motor Car Co.
Hupp Motor Corp.
Nash-Kelvinator Corp.
Packard Motor Car Co.
The Studebaker Corp.
Willys-Overland Motors, Inc.

The group of 12 corporations engaged largely in the manufacture of commercial cars and trucks are:

Diamond T Motor Co.
Divco-Twin Truck Co.
Federal Motor Truck Co.
The Four Wheel Drive Auto Co.
Fruehauf Trailer Co.
Mack Trucks, Inc.
The Meteor Motor Car Co.
Reo Motors, Inc.
The Seagrave Corp.
Twin Coach Co.
The White Motor Co.
Yellow Truck & Coach Manufacturing Co.

For the 10 automobile companies combined sales amounted to $2,903,000,000 in 1940 as compared with $2,254,000,000 in 1939. Net profit after all charges totaled $235,000,000 in 1940 against $217,000,000 in 1939, equivalent to 8.1% and 9.6% of sales or 17.6% and 16.9% of net worth at book value. Total dividends paid out by these enterprises were $195,000,000 in 1940 against $182,000,000 in 1939. The combined assets of these 10 enterprises totaled $2,025,000,000 at the end of 1940 compared with $1,736,000,000 at the end of 1939, while surplus increased to $674,000,000 at the end of 1940 from $638,000,000 at the end of 1939.

For the 12 corporations manufacturing commercial cars and trucks sales reported for 1940 amounted to $233,000,000 as compared with $165,000,000 in 1939. Net profit after all charges totaled $11,000,000 in 1940 against $5,100,000 in 1939, equivalent to 4.6% and 3.1% of sales or 8.7% and 4.4% of net worth at book value. Total dividends paid out by these enterprises were $8,400,000 in 1940 against $3,200,000 in 1939. The combined assets of these 12 enterprises totaled $180,000,000 at the end or 1940 compared with $152,000,000 at the end of 1939, while surplus increased to $91,000,000 at the end of 1940 from $82,000,000 at the end of 1939.

Single copies of the reports in the series may be secured without charge by request to the Publications Unit of the SEC, Washington, D. C.

Corn Loan Repayments

The Department of Agriculture reported on Dec. 15 that 91,628 loans made by Commodity Credit Corporation, representing 96,857,499 bushels of 1940 corn and 1938-39 resealed corn, were repaid from Jan. 1, 1941, through Dec. 6, 1941.

The Department's announcement further said:

Repayments were made on 57,930,108 bushels pledged under loan in 1938-39 and resealed under farm storage, and on 38,927,391 bushels of 1940 corn. There remained outstanding a total of 174,301 loans on 199,506,429 bushels.

1941 Wheat Loans

The Department of Agriculture reported on Dec. 15 that through Dec. 6, 1941, Commodity Credit Corporation made 487,973 loans on 331,849,807 bushels of 1941 wheat in the amount of $325,982,119. The wheat under loan includes 102,704,190 bushels stored on farms and 229,145,617 bushels stored in public warehouses. Loans to the same date last year had been made on approximately 263,000,000 bushels.

Savings and Loan League Strongly Urges Government To Quit Housing Business

Paul Endicott, President of the United States Savings and Loan League, told the opening session of the League's convention at Coral Gables, Fla., on Dec. 2 that "in every defense area where private enterprise can reasonably assume the risks incident thereto, savings and loan associations have been in the forefront of home-financing activities; and private enterprise, in turn has to date provided a very large percentage of the new defense housing which has been completed in such areas." Addressing over 1,000 savings and loan executives, Mr. Endicott said that the present is by no means a period of business as usual and "all indications are that we face a period very much further removed from business as usual."

Emphasizing the contribution which private enterprise has made to housing the defense workers, he said:

Despite these facts, however, public housing continues to carry a threat to private enterprise housing interests due to the zeal of public housers who see in the present situation a golden opportunity to advance the cause of permanent subsidized low-rent housing, of socialized housing, under the guise of defense housing; who oppose temporary housing, for example, with the rather obvious hope of being able to take over and operate defense housing on a permanent basis after the war, if such housing is of permanent character.

The shortening of maturities on home loans to persons enjoying high income at this time was recommended to the League in a report by its Economic Policies Committee. The report, emphasized that existing borrowers should be encouraged to pay ahead on their loans, and that local home lending institutions should consider adopting a loan plan, providing for a more rapid rate of amortization in the early years of the loan.

Among other recommendations of the Committee were (1) that associations continue to make construction loans where materials are available; (2) that associations give careful consideration to any loan delinquencies which may result from "priorities unemployment"; and (3) that associations should take advantage of the rising real estate market and liquidate the real estate on their books.

In resolutions adopted Dec. 5, the League asked the Federal Government today to get out of the housing business. According to Associated Press advices, the resolutions called for liquidation of the Home Owners' Loan Corporation, for the Federal Housing Authority to stop placing guarantees behind mortgages on existing properties and eventually to stop giving new home building loans. The advices further declared:

The League declared the FHA cost the government $58,000,000 in the first five years of its operation.

In defense housing, the government was requested to limit the program to "rapidly built, demountable units providing only the necessities of comfortable and livable shelter."

The Administration's foreign policy was approved, and delegates favored unlimited expenditures for necessary defense efforts, but they demanded drastic curtailment of spending in non-defense fields.

Speaking to the League convention on the Defense Bond program in which the savings and loan institutions are participating, Preston A. Delano, Comptroller of the Currency, said on Dec. 3 that the great problem of trying to control the price level in the midst of deficit financing can partially be solved by delaying the use of the excess earning power now being generated in America. The Defense Bond program is a means to that end. He said he had never, in his years in public office, seen a finer spirit of cooperation than exists today between the financial institutions and the government.

"Our job is to fight the pessimism, the impression that no matter what form the final victory in this war takes, our American institutions will be sacrificed in the struggle," Mr. Delano added. "We have the tools to fight that pessimism and it is our obligation to use them. We have the tools successfully to fight any attempt to take away our fundamental institutions."

Fermor S. Cannon, Indianapolis, President of the Railroadmen's Federal Savings and Loan Association, was elected President of the League at the third session of the annual convention on Dec. 4, succeeding Mr. Endicott. Other officers chosen include: Ralph H. Cake, Portland, Ore., First Vice President; John F. Scott, St. Paul, Minn., Second Vice President; and H. F. Cellarius, Cincinnati, Ohio, Secretary - Treasurer, re-elected for the 45th time to this office.

Four directors were elected: E. M. Van Norden, New York City, for District 1, including New York State and the New England States; William E. Best, Pittsburgh, Pa., re-elected for District 3, comprising Pennsylvania; Carl J. Bergmann, Washington, D. C., re-elected for District 5, comprising all the States South of the Mason and Dixon and the Ohio and West of the Mississippi; and Halsey R. Hanger, Dubuque, Iowa, for District 7, comprising Indiana, Michigan, Illinois, Wisconsin, Minnesota, Iowa, Nebraska, the Dakotas.

Defense Bond Sale Down

Sales of Defense Savings Bonds in November totaled $233,487,000, the Treasury announced on Dec. 9, bringing total sales for the seven months since the defense savings program began on May 1 to about $2,008,611,000. This aggregate does not include proceeds from the sale of Defense Savings Stamps, except in instances where stamps have been turned in as payment for bonds.

Total cash deposits at the Treasury for all three series of bonds by months follows: May, $349,818,000; June, $314,527,000; July, $342,132,000; August, $263,606,000; September, $232,327,000; October, $270,813,000.

November Output And Shipments Of Slab Zinc

The American Zinc Institute on Dec. 6 released the following tabulation of slab zinc statistics:

TOTAL SLAB ZINC SMELTER OUTPUT (ALL GRADES) 1929-1941
(Tons of 2000 lb.)

	Stock at Beginning	Production	Shipments Domestic	Shipments Exports & Drawback	Stock End of Period	Unfilled Orders End of Period	Daily Avge. Prod.
1929	46,430	631,601	596,249	6,352	75,430	18,585	1,730
1930	75,430	504,463	436,079	196	143,618	26,651	1,355
1931	143,618	300,738	314,473	41	129,842	18,273	822
1932	129,842	213,531	218,347	170	124,856	8,478	583
1933	124,856	324,705	343,762	239	105,560	15,978	890
1934	105,560	366,933	352,515	148	119,830	30,786	1,004
1935	118,005	431,499	465,687	59	83,758	51,186	1,182
1936	83,758	523,166	561,969	0	44,955	78,626	1,429
1937	44,955	589,619	569,241	0	65,333	48,339	1,615
1938	65,333	456,990	395,534	20	126,769	40,829	1,252
1939	126,769	538,198	598,972	0	65,995	53,751	1,475
1940—							
Jan.	74,262	58,442	54,291	5,535	72,878	36,808	1,885
Feb.	72,878	55,518	50,386	3,481	74,529	47,469	1,914
Mar.	74,529	58,890	49,163	3,633	80,623	34,580	1,900
Apr.	80,623	57,299	45,498	4,604	87,820	45,326	1,910
May	87,820	58,320	53,557	13,526	79,057	55,389	1,881
June	79,057	53,273	52,946	3,854	79,530	59,043	1,776
July	75,530	57,168	56,064	8,627	68,007	53,726	1,844
Aug.	68,007	57,196	59,511	13,478	52,214	69,508	1,845
Sept.	52,214	59,800	63,045	12,148	36,821	95,445	1,993
Oct.	36,821	63,338	63,970	9,129	27,060	116,420	2,043
Nov.	27,060	61,502	61,200	4,864	22,498	126,120	2,050
Dec.	22,498	65,354	64,984	5,286	17,582	125,132	2,108
		706,100	674,615	88,165			
Monthly Average		58,842	56,217	7,347		Daily Average	1,929
1941—							
Jan.	17,582	66,121	63,930	4,914	14,859	121,026	2,133
Feb.	14,859	61,603	57,663	8,155	10,644	108,151	2,200
Mar.	10,644	70,341	65,011	2,629	13,345	97,638	2,269
Apr.	13,345	68,543	65,035	5,379	11,474	95,256	2,285
May	11,474	73,449	61,696	11,394	11,833	98,435	2,369
June	11,833	70,837	61,546	10,023	11,101	92,583	2,361
July	11,101	74,641	62,714	9,180	13,848	81,456	2,408
Aug.	13,848	75,524	61,061	10,342	17,969	68,604	2,436
Sept.	17,969	73,225	64,673	7,094	19,427	67,079	2,441
Oct.	19,427	75,980	*61,594	*12,219	21,594	62,559	2,451
Nov.	21,594	74,710	60,913	12,209	23,182	84.101	2,490

PRODUCTION BY GRADES

Month	Spec. H.G.	High Grade	Intermediate	Brass Spcl.	Select	Prime Western	Total
1941—							
Sept.	16,352	*14,921	4,548	*5,152	1,456	30,796	73,225
Oct.	16,078	*18,043	3,596	*7,077	1,456	29,730	75,980
Nov.	18,404	16,399	4,695	4,364	1,417	29,431	74,710

*Corrected figures.

Note—Commencing with January 1940, production from foreign ores is included in the monthly figures which reflect the total output at smelters of Slab Zinc of all grades, as reported by all producers represented in the membership of the Institute. The unchanged totals for previous years do not inolude production from foreign ores, which was not a vital factor in those years; this explains the discrepancy between stock shown at end of 1939 and at the beginning of 1940.

Labor Dept. Reports Oct. Manufacturing Employment Unchanged; Payrolls Higher

Manufacturing employment showed virtually no change from mid-September to mid-October, although payrolls advanced by more than the usual seasonal amount, Secretary of Labor Frances Perkins reported on Nov. 29. "Employment increases continued in durable goods industries, high-lighted by further marked expansions in shipbuilding and aircraft," she said. "These gains were offset by decreased employment in nondurable goods caused largely by a sharp seasonal decline in the canning and preserving industry. As a result, total manufacturing employment fell by 14,000 workers, or 0.1%. Shortages of materials caused serious employment dislocations in many industries, notably plumbers' supplies, stoves, vacuum cleaners, washing machines, refrigerators, electrical appliances, metal furniture, structural steel, brass, bronze and copper, silk and rayon, and hosiery." Secretary Perkins added:

Total civil nonagricultural employment in October amounted to 40,749,000 according to revised estimates, an increase of approximately 34,000 over September. In each month since February of this year, nonagricultural employment has exceeded all previously recorded levels. Revised estimates show that there has been an increase of 3,374,000 since October, 1940, and that nonagricultural employment exceeds the 1929 peak by more than 3,000,000.

One of the important contributing factors to the increase in nonagricultural employment from mid-September to mid-October was a rise in construction employment. This increase was brought about largely by the building of new defense plant facilities financed by the Federal Government.

The Federal construction program in recent months has resulted in substantial employment gains comparable to those experienced during the final quarter of 1940 and early this year, when the Army cantonment program was under way. The only other major group to show a substantial rise in employment over the month was trade, where the usual seasonal expansion occurred. During the past year manufacturing employment has increased 1,854,000, compared to gains in excess of 300,000 in construction, trade, and the Federal, State, and local government services. The armed forces of the Nation now amount to 2,014,000, a rise of 1,281,000 since October, 1940, in addition to the 3,374,000 increase of employment noted above.

Since the defense program was inaugurated in June, 1940, there has been an increase of more than 2,500,000 wage earners in private manufacturing establishments, or 31%. During this same interval, 18 defense industries which have handled a greater proportion of the defense production orders have shown an employment increase of more than 1,100,000, or 69%. Approximately half of this increase has occurred in three basic industries: blast furnaces, steel works and rolling mills; foundries and machine shops; and electrical machinery, apparatus and supplies. Among the major defense industries the greatest percentage gains have occurred in aircraft and shipbuilding, and even in terms of the aggregate number of workers employed, the gains in these industries have been comparable to those in the basic metal working industries. In October shipbuilding and aircraft continued to lead all major defense industries in employment increases as indicated by the following table:

Industry	Est. No. of wage earners Oct., 1941	Gain from Sept. to Oct.
Shipbuilding (private)	263,100	24,000
Aircraft	256,400	16,400
Engines	108,500	5,500
Electrical machinery	377,900	2,700
Foundry and machine shop products	586,700	2,400
Machine-tool accessories	62,700	1,700
Machine tools	102,300	1,400

Two important defense industries showed decreases in employment from mid-September to mid-October. Blast furnaces, steel works, and rolling mills reported a decrease of 2,800 caused largely by a critical shortage of steel scrap and inability of finishing mills to secure rough steel. Serious shortages of copper, zinc, nickel, and steel are largely responsible for an employment decrease of 1,000 in the brass, bronze, and copper products industry. Shortages of raw materials extended to many nondurable goods industries, but the principal factor in the decline in that group was the sharp seasonal decrease of 92,300 in the canning and preserving industry.

The employment index for all manufacturing industries combined in October stood at 135.1 of the 1923-25 average, and the payroll index reached 166.7. During the past year, there has been a considerably greater increase in payrolls than in employment, reflecting expansion in working hours, overtime payments and wage-rate increases. Slight employment gains were reported in anthracite and bituminous coal mining. Employment in metal mines remained at the September level, while in quarries and in the oil fields employment was slightly curtailed. Wholesale trade employment showed the usual seasonal advance, while the increase in retail stores was of slightly less than seasonal proportions.

Employment on construction projects financed from regular Federal appropriations passed the 1,000,000 mark in the month ending Oct. 15, with a gain of 87,300 over the preceding month. Nonresidential defense building construction was mainly responsible for the increase. Employment on construction projects financed from Reconstruction Finance Corporation funds showed an increase of 7,600 for defense work while only slight increases were reported in the number of employees on the U. S. Housing Authority construction projects and on State-financed road maintenance projects. It is estimated that in the month of October, the executive service of the Federal Government employed 1,515,000 persons, an addition to the staff of 27,100. The number of persons on WPA projects and in CCC camps declined 3,300 and 17,500 respectively during the month. The corresponding decline in the number over the past year amounted to almost three-quarters of a million persons. The school-work program of the NYA, which was being expanded in September due to the reopening of school, employed 274,000 persons in the month of October, while the out-of-school-work program of the NYA employed 293,000, or 19,100 fewer persons than in September.

The following tabulations were made available by the Department of Labor:

EMPLOYMENT AND PAYROLLS ON CONSTRUCTION PROJECTS FINANCED WHOLLY OR PARTIALLY FROM FEDERAL FUNDS AND ON ROADS FINANCED FROM STATE FUNDS, OCTOBER, 1941
(In Thousands)

	Employment Oct. 1941*	Employment Change from Sept. 1941	Employment Change from Oct. 1940	Payrolls Oct. 1941*	Payrolls Change from Sept. 1941	Payrolls Change from Oct. 1940
Financed by regular Federal Program						
Appropriations†	1,031.0	+87.3	+554.0	$170,912	+$33,468	+$119,185
Defense	809.0	+88.8	+504.0	146,161	+ 33,253	+ 115,558
Other	222.0	— 1.5	+ 50.0	24,751	+ 215	+ 3,627
U. S. Housing Authority‡	42.0	+ 1.2	— 10.6	5,006	+ 447	— 571
Defense	12.1	+ .2	+ 8.4	1,369	+ 16	+ 1,071
Other	29.9	+ 1.0	— 19.0	3,637	+ 430	— 1,642
Financed by PWA‡	4.4	— .2	— 33.5	475	— 50	— 3,717
Financed by RFC‡	23.93	+ 7.4	+ 21.6	3,432	+ 769	+ 3,190
Defense	21.8	+ 7.6	§	3,150	+ 795	§
Other	2.1	— .2	§	282	— 26	§
State Roads¶	195.0	+ 1.0	— 13.0	16,791	+ 343	+ 1,277

*Preliminary. †Data for the month ending the 15th, except data for Federal-aid roads which are for the calendar month. Employment data represent the maximum number employed in any one week. Data for Federal-aid roads for October, 1941, are estimated. ‡Data are for the month ending the 15th. Employment data represent the maximum number employed in any one week. §Defense and other categories not set up. ¶Data are for the calendar month. Employment data represent the average number working during the month. Data for October, 1941, are estimated.

EMPLOYMENT AND PAYROLLS IN REGULAR FEDERAL SERVICES, OCTOBER, 1941

(In Thousands)

Service	Employment Oct. 1941*	Employment Change from Sept. 1941	Employment Change from Oct. 1940	Pay Rolls Oct. 1941*	Pay Rolls Change from Sept. 1941	Pay Rolls Change from Oct. 1940
Executive†	1,515.0	+27.1	+ 423.1	$228,441	+$4,300	+$61,220
Legislative	6.3	+ ‡	+ .4	1,364	+ 12	+ 65
Judicial	2.6	— ‡	+ ‡	654	— 8	+ 18
Military	2,014.0	+22.4	+1,281.0	138,645	+ 5,614	+ 90,743

*Preliminary. †Data estimated. ‡Changes of less than 100.

EMPLOYMENT AND PAYROLLS ON RELIEF PROGRAMS, OCTOBER, 1941

(In Thousands)

Program—	Employment Oct., 1941*	Employment Change from Sept., 1941	Employment Change from Oct., 1940	Payrolls Oct., 1941*	Payrolls Change from Sept., 1941	Payrolls Change from Oct., 1940
WPA Projects‡	1,040.0	— 3.3	—743.0	$62,800	+$1,575	—$39,944
Defense	328.0	— 7.5	‡	19,400	— 468	‡
Other	712.0	+ 10.8	‡	43,400	+ 2,043	‡
NYA Projects:						
Student work program†	274.0	+241.0	— 79.3	1,730	+ 1,583	— 517
Out-of-school work prog.†	293.0	— 19.1	+ 56.8	7,191	— 261	+ 2,235
Civilian Conservation Corps§	173.0	— 17.5	—145.0	8,511	— 747	— 5,548

*Preliminary. †Data are for the calendar month. ‡Defense and other categories not set up. §Data on employment are for the last day of month; payrolls for the entire month.

ESTIMATES OF TOTAL NONAGRICULTURAL EMPLOYMENT

(In Thousands)

	Oct., 1941 (preliminary)	Sept., 1941	Change Sept. to Oct., 1941	Oct., 1940	Change Oct., 1940 to Oct., 1941
Total civil non-agricult. employment*	40,749	40,715	+ 34	37,375	+3,374
Employees in non-agricul. establish.*	34,606	34,572	+ 34	31,232	+3,374
Manufacturing*	12,768	12,782	— 14	10,914	+1,854
Mining	908	906	+ 2	856	+ 52
Contract construction	1,980	1,936	+ 44	1,654	+ 326
Transportation and public utilities	3,364	3,367	— 3	3,121	+ 243
Trade*	7,068	7,008	+ 60	6,706	+ 362
Finance, service and miscellaneous*	4,252	4,325	— 73	4,105	+ 147
Federal, State and local government	4,266	4,248	+ 18	3,876	+ 390
Military and naval forces (not included above)	2,014	1,992	+ 22	733	+1,281

*Revised. Earlier figures available on request.

The Department of Labor also issued the following data:

The estimates of "Total civil nonagricultural employment," given on the first line of the above table, represent the total number of persons engaged in gainful work in the United States in nonagricultural industries, excluding military and naval personnel, persons employed on WPA or NYA projects, and enrollees in CCC camps. The series described as "Employees in nonagricultural establishments" excludes also proprietors and firm members, self-employed persons, casual workers and persons in domestic service. The estimates for "Employees in nonagricultural establishments" are shown separately for each of seven major industry groups. Data for the manufacturing and trade groups have been revised to include adjustments to preliminary 1939 census data.

The figures represent the number of persons working at any time during the week ending nearest the middle of each month. The totals for the United States have been adjusted to conform to the figures shown by the 1930 Census of Occupations for the number of nonagricultural "gainful workers'" less the number shown to have been unemployed for one week or more at the time of the Census.

Indexes of employment and payrolls for all manufacturing industries combined. Class I steam railroads, and for those nonmanufacturing industries for which information is available, are shown below for October, 1941, with percentage changes from September, 1941 and October, 1940. The 3-year average (1923-25) is used as a base in computing the indexes for the manufacturing industries and the 5-year average (1935-39) as a base for Class I steam railroads. For the other nonmanufacturing industries information for years prior to 1929 is not available from the Bureau's records, and the 12-month average for 1929 is used as a base in computing the index numbers. These indexes are not adjusted for seasonal variation.

The data for manufacturing, mining, building construction, laundries, and dyeing and cleaning cover wage earners only; those for railroads cover all employees while the data for water transportation cover employees on vessels of 1,000 gross tons or over in deep-sea trades only. The data for other industries exclude proprietors and firm members, corporation officers, executives, and others whose work is mainly supervisory.

Industry	Employment Index Oct. 1941*	Employment Percentage change from Sept. 1941	Employment Percentage change from Oct. 1940	Pay Roll Index Oct. 1941*	Pay Roll Percentage change from Sept. 1941	Pay Roll Percentage change from Oct. 1940
	(1923-25=100)			(1923-25=100)		
Manufacturing	†135.1	— 0.1	+ 18.7	†166.7	+ 2.3	+ 43.5
	(1935-39=100)			(1935-39=100)		
Class I Steam Railroads‡	119.3	+ .5	+ 13.5	§	§	§
	(1929=100)			(1929=100)		
Trade:						
Wholesale	96.6	+ 1.0	+ 6.1	92.0	+ 1.2	+ 14.7
Food products	§	+ .1	§	§	††	§
Groceries & food spec.	§	+ .2	§	§	+ .7	§
Dry goods & apparel	§	— .5	§	§	— 1.7	§
Mach., equip. & suppl.	§	+ .3		§	+ 1.3	§
Farm products	§	+ 9.4	§	§	+ 9.6	§
Petrol. and petrol. prod. (incl. bulk tank sta.)	§	— 1.0	§	§	— .1	§
Automotive	§	— .3	§	§	— 1.2	§
Retail	100.9	+ .9	+ 7.0	97.5	+ 1.8	+ 13.6
Food	110.6	+ .8	+ 6.6	107.2	+ 1.3	+ 11.9
General merchandising	115.6	+ 3.5	+ 11.7	110.3	+ 3.5	+ 19.5
Apparel	96.7	+ 1.0	+ 5.8	92.5	+ 2.4	+ 12.5
Furniture	81.0	+ 1.9	+ 4.1	85.0	+ 9.1	+ 21.3
Automotive	87.5	— 2.5	+ 2.9	86.2	— .1	+ 8.2
Lumber & bldg. mater.	82.9	— .6	+ 4.4	87.1	0	+ 14.0
Public Utilities:						
Tel. & Tel.	¶90.6	+ .3	+ 14.5	¶117.6	+ .3	+ 15.1
Electric light & power	¶93.9	— 1.1	+ 1.7	¶116.0	+ .9	+ 8.4
Street rys. & buses**	¶70.1	— .3	+ 2.0	¶78.1	+ .1	+ 10.5
Mining:						
Anthracite	50.3	+ .6	+ 1.8	49.2	— .9	+ 52.2
Bituminous—coal	95.0	+ .9	+ 6.5	122.6	+ 6.2	+ 46.7
Metalliferous	79.4	††	+ 9.4	88.4	+ 3.0	+ 24.0
Quarrying & nonmetallic	53.8	— .8	+ 10.1	60.8	+ .4	+ 30.3
Crude-petrol. production	61.3	— .9	— 1.9	63.0	— 2.2	+ 9.3
Services:						
Hotels (year-round)	95.6	— .1	+ 2.3	‡‡92.0	+ 2.3	+ 9.3
Laundries	110.9	— 1.8	+ 10.7	103.2	— 2.0	+ 17.2
Dyeing & cleaning	121.0	— .4	+ 10.6	98.4	— 1.2	+ 19.3
Brokerage	47.6	— .4	— 7.9	45.4	+ .9	— 1.8
Insurance	119.1	— .1	+ 1.8	112.1	+ 1.0	+ 5.6
Building Construction	§	— 1.3	+ 4.7	§	— 2.8	+ 13.1
Water Transportation	§§77.6	— 1.1	— 3.0	§	§	§

*Preliminary. †Adjusted to preliminary 1939 Census figures. ‡Source: Interstate Commerce Commission. §Not available. ¶Retail-trade indexes adjusted to 1935 Census, public utility indexes to 1937 Census. **Covers street railways and trolley and motorbus operations of subsidiary, affiliated and successor companies. ††Less than 1/10 of 1%. ‡‡Cash payments only; value of board, room, and tips cannot be computed. §§Based on estimates prepared by the United States Maritime Commission.

INDEX NUMBERS OF EMPLOYMENT AND PAY ROLLS OF WAGE EARNERS IN MANUFACTURING INDUSTRIES ADJUSTED TO 1937 CENSUS OF MANUFACTURES, EXCEPT AS INDICATED IN NOTES † AND ‡

(Three-year average 1923-25=100.0)

	Employment *Oct. 1941	Employment Sept. 1941	Employment Oct. 1940	Pay Rolls *Oct. 1941	Pay Rolls Sept. 1941	Pay Rolls Oct. 1940
Manufacturing Industries—						
All Industries†	135.1	135.3	113.8	166.7	163.0	116.2
Durable Goods†	143.7	142.2	112.8	191.6	184.0	123.4
Non-durable Goods†	126.9	128.7	114.8	138.9	139.5	108.1
Durable Goods—						
Iron & steel & their products, not including machinery	139.8	140.5	117.1	174.7	171.3	123.5
Blast furnaces, steel works, and rolling mills	148.2	148.9	125.2	182.8	178.6	131.0
Bolts, nuts, washers, & rivets	169.3	170.6	121.3	253.5	246.3	149.5
Cast-iron pipe	98.5	97.7	83.9	120.6	115.9	84.8
Cutlery (not including silver & plated cutlery), & edge tools	131.8	127.8	111.3	155.7	149.5	106.3
Forgings, iron and steel	114.0	113.0	80.4	178.7	172.9	102.2
Hardware	116.4	115.8	105.3	161.5	156.5	118.8
Plumbers' supplies	99.0	99.0	91.1	114.0	106.6	87.3
Stamped & enameled ware	226.8	228.4	189.5	293.8	292.6	216.7
Steam & hot-water heating apparatus & steam fittings	127.5	127.4	99.4	157.3	154.9	102.5
Stoves	115.7	116.2	106.2	130.3	127.9	106.7
Struct. & ornamental metalwork	107.9	109.3	85.6	124.8	122.8	79.6
Tin cans & other tinware	135.8	145.0	101.4	171.6	187.6	113.1
Tools (not incl. edge tools, mach. tools, files & saws)	145.5	144.4	106.1	203.2	196.6	113.9
Wirework	206.9	210.8	190.6	282.3	278.0	226.3
Machinery, not incl. transportation equipment	180.3	178.5	127.3	256.7	248.1	145.4
Agricult'l impl. (incl. tractors)	170.8	170.7	134.9	232.2	230.7	158.8
Cash registers, adding machines, & calculating machines	174.9	173.7	132.2	226.4	229.8	142.3
Elec. mach., apparatus, & suppl.	169.9	168.7	116.1	244.7	241.4	138.2
Engines, turbines, water wheels, & windmills	340.2	323.0	191.6	611.5	569.6	265.1
Fdy. & mach. shop products	147.6	147.0	106.7	197.2	187.8	111.7
Machine tools	361.4	356.4	257.9	597.3	577.8	352.3
Radios & phonographs	216.4	212.5	163.6	260.5	254.4	164.3
Textile machinery & parts	109.1	108.5	79.7	141,7	141.1	78.8
Typewriters & parts	158.5	158.2	126.8	230.6	233.4	163.2
Transportation equipment‡	200.0	190.8	139.5	279.7	253.3	163.2
Aircraft‡	9,156.7	8,571.2	4,115.9	12,615.4	11,302.1	4,639.4
Automobiles	125.6	123.4	125.1	171.7	158.9	149.2
Cars, electric- & steam-railr'd	97.2	95,6	56.2	117.4	102.5	50.3
Locomotives	83.0	81.2	39.3	112.3	110.6	40.1
Shipbuilding	483.7	439.6	197.4	794.4	700.1	244.0
Non-ferrous metals & their prod.	147.2	147.9	126.1	185.2	187.5	136.3
Aluminum manufactures†	243.0	245.7	209.7	363.0	358.8	259.6
Brass, bronze, & cop. products	193.4	194.9	154.9	262.0	273.2	190.0
Clocks, watches and time-recording devices	111.6	112.3	104.6	150.7	149.5	119.1
Jewelry	121.0	119.8	110.4	122.9	121.8	97.3
Lighting equipment	128.0	126.6	106.8	150.4	146.7	96.5
Silverware & plated ware	87.6	85.8	76.5	107.0	103.7	79.5
Smelting and refining copper, lead, and zinc	101.3	103.0	94.6	118.5	118.2	93.4
Lumber and allied products	79.8	80.5	74.4	92.1	92.5	73.7
Furniture	108.4	108.3	96.8	121.9	119.1	91.3
Lumber:						
Millwork	76.7	76.4	69.3	74.5	72.9	58.4
Sawmills	69.2	70.4	66.6	77.4	77.6	65.1
Stone, clay, and glass products	102.7	101.8	87.5	110.3	105.5	83.0
Brick, tile, and terra cotta	78.0	79.1	65.0	76.1	76.2	55.1
Cement	82.6	83.8	75.7	93.4	93.5	75.5
Glass	133.2	130.3	113.2	176.0	161.0	129.8
Marble, granite, slate, and other products	47.2	45.9	47.9	38.0	36.8	37.3
Pottery	124.9	121.0	98.0	131.1	124.8	92.8
Non-Durable Goods—						
Textiles and their products	114.6	115.5	104.5	122.3	123.4	93.2
Fabrics	106.1	106.3	96.1	120.2	118.0	89.5
Carpets and rugs	90.5	91.0	79.6	93.6	96.6	72.8
Cotton goods	110.8	110.2	95.1	135.2	130.2	90.3
Cotton small wares	107.2	107.4	83.2	124.8	126.5	83.0
Dyeing & finishing textiles	133.8	136.0	128.6	134.3	135.7	111.4
Hats, fur-felt	78.6	79.1	80.0	76.1	80.3	66.9
Hosiery	136.2	136.2	142.8	162.3	151.6	158.1
Knitted outerwear	82.6	82.5	75.3	79.8	80.6	65.6
Knitted underwear	88.4	87.9	76.0	100.1	95.9	72.1
Knit cloth	149.4	160.4	157.3	147.9	156.8	136.3
Silk and rayon goods	61.7	63.2	64.6	61.8	61.5	52.4
Woolen and worsted goods	109.9	110.5	94.1	128.1	129.2	87.6
Wearing apparel	128.9	131.2	118.9	119.0	126.3	94.8
Clothing, Men's	123.7	123.6	104.3	113.3	114.7	77.3
Clothing, Women's	172.0	177.5	171.5	144.7	162.1	131.2
Corsets & allied garments	108.7	122.6	112.6	139.0	150.1	124.2
Men's furnishings	133.8	131.5	127.0	169.1	156.5	133.1
Millinery	76.7	85.3	76.1	60.3	84.2	55.3
Shirts and collars	137.3	136.4	122.0	155.2	146.7	114.5
Leather and its manufactures	98.5	98.0	90.0	100.5	101.6	73.4
Boots and shoes	94.8	95.2	88.4	93.8	95.3	69.1
Leather	96.5	97.0	81.6	114.5	114.2	81.6
Food and kindred products	151.3	162.7	141.3	161.9	170.2	134.2
Baking	153.9	153.5	145.9	157.8	157.4	139.2
Beverages	303.6	315.1	271.2	382.8	401.5	314.4
Butter	102.6	106.4	95.7	96.6	99.6	81.7
Canning and preserving	211.3	321.6	201.6	233.3	359.1	170.3
Confectionery	105.7	101.5	102.0	120.8	114.8	103.2
Flour	80.3	80.6	80.6	88.4	92.5	77.9
Ice Cream	79.1	85.2	73.8	71.0	77.1	64.0
Slaughtering & meat packing	126.1	123.6	109.6	151.1	146.1	115.8
Sugar, beet	236.3	90.5	266.9	215.4	95.2	217.1
Sugar refining, cane	103.8	103.7	95.0	95.9	102.6	82.9
Tobacco manufactures	67.3	63.8	66.5	74.9	70.4	66.5
Chewing & smok. tob. & snuff	54.3	53.6	56.6	70.7	69.3	67.6
Cigars and cigarettes	69.0	65.1	67.7	75.3	70.4	66.2
Paper and printing	126.5	124.8	117.6	135.6	133.3	115.2
Boxes, paper	147.0	144.7	124.1	194.6	188.0	141.7
Paper and pulp	128.0	128.3	115.1	164.4	163.0	123.8
Printing and publishing:						
Book and job	108.0	104.8	102.6	102.2	99.3	91.0
Newspapers and periodicals	118.3	116.9	117.6	114.8	114.1	111.5
Chemicals and allied products, and petroleum refining	148.5	146.5	125.4	190.7	186.8	139.3
Petroleum refining	128.6	128.5	121.2	163.2	166.4	136.2
Other than petroleum refining	153.4	150.8	126.5	199.2	193.1	140.2
Chemicals	182.7	182.0	145.6	257.6	250.2	176.2
Cottons'd—oil, cake, & meal	132.7	115.2	137.2	141.9	115.4	135.7
Druggists' preparations	146.7	143.8	118.3	184.4	177.9	133.3
Explosives	§	§	§	§	§	§
Fertilizers	103.0	110.2	96.7	101.9	111.6	82.4
Paints and varnishes	144.0	143.9	125.1	173.5	169.9	135.8
Rayon & allied products	326.4	327.0	311.1	375.5	374.3	322.6
Soap	100.2	98.2	88.8	143.5	139.6	107.2
Rubber products	111.6	111.5	92.6	135.8	134.2	99.5
Rubber boots and shoes	80.6	77.2	58.7	106.3	104.1	62.9
Rubber tires & inner tubes	86.0	86.5	73.9	108.2	107.3	86.6
Rubber goods, other	192.5	193.2	160.5	234.5	231.6	162.1

*October, 1941, indexes preliminary; subject to revision. †Adjusted to preliminary 1939 Census figures. ‡Indexes not comparable to indexes appearing in press releases dated earlier than November, 1940. Revised figures available in mimeographed form. §Not available.

NYSE Odd-Lot Trading

The Securities and Exchange Commission made public on Dec. 12 a summary for the week ended Dec. 6, 1941, of complete figures showing the volume of stock transactions for the odd-lot account of all odd-lot dealers and specialists who handle odd lots on the New York Stock Exchange, continuing a series of current figures being published by the Commission. The figures, which are based upon reports filed with the Commission by the odd-lot dealers and specialists, are given below:

STOCK TRANSACTIONS FOR THE ODD-LOT ACCOUNT OF ODD-LOT DEALERS AND SPECIALISTS ON THE NEW YORK STOCK EXCHANGE

Week Ended Dec. 6, 1941	Total for Week
Odd-lot Sales by Dealers: (Customers' Purchases)	
Number of orders	23,345
Number of shares	647,733
Dollar value	23,869,450
Odd-lot Purchases by Dealers— (Customers' Sales)	
Number of Orders:	
Customers' short sales	237
Customers' other sales *a*	26,230
Customers' total sales	26,473
Number of Shares:	
Customers' short sales	4,939
Customers' other sales *a*	728,855
Customers' total sales	733,794
Dollar value	20,097,203
Round-lot Sales by Dealers—	
Number of Shares:	
Short sales	410
Other sales *b*	231,720
Total sales	232,130
Round-lot Purchases by Dealers—	
Number of shares	157,630

a Sales marked "short exempt" are reported with "other sales." *b* Sales to offset customers' odd-lot orders, and sales to liquidate a long position which is less than a round lot are reported with "other sales."

Note—This report and preceding reports do not include transactions in stocks effected on a "when issued" basis.

Lumber Movement Week Ended Dec. 6

Lumber production during the week ended Dec. 6, 1941, was 3% less than the previous week, shipments were 16% less; new business 6% less, according to reports to the National Lumber Manufacturers Association from regional associations covering the operations of representative hardwood and softwood mills. Shipments were 13% below production; new orders 10% below production. Compared with the corresponding week of 1940 production was 2% less, shipments 23% less, and new business 19% less. The industry stood at 125% of the average of production in the corresponding week of 1935-39 and 118% of average 1935-39 shipments in the same week.

Year-to-Year Comparisons

Reported production for the 49 weeks of 1941 to date was 11% above corresponding weeks of 1940; shipments were 10% above the shipments, and new orders 6% above the orders of the 1940 period. For the 49 weeks of 1941 to date, new business was 3% above production, and shipments were 5% above production.

Supply and Demand Comparisons

The ratio of unfilled orders to gross stocks was 30% on Dec. 6, 1941, compared with 32% a year ago. Unfilled orders were 16% less than a year ago; gross stocks were 8% less.

Softwoods and Hardwoods

Record for the current week ended Dec. 6, 1941, for the corresponding week a year ago, and for the previous week, follows in thousand board feet:

Softwoods and Hardwoods

	1941 Week	1940 Week	1941 Previous Wk. (rev.)
Mills	452	452	463
Production	230,447	236,069	238,002
Shipments	200,534	258,918	239,816
Orders	207,251	256,185	220,372

	Softwoods 1941 Week		Hardwoods 1941 Week	
Mills	374		93	
Production	219,788	—100%	10,659	—100%
Shipments	189,388	86	11,146	105
Orders	195,576	89	11,675	110

Weekly Statistics of Paperboard Industry

We give herewith latest figures received by us from the National Paperboard Association, Chicago, Ill., in relation to activity in the paperboard industry.

The members of this Association represent 83% of the total industry, and its program includes a statement each week from each member of the orders and production, and also a figure which indicates the activity of the mill based on the time operated. These figures are advanced to equal 100%, so that they represent the total industry.

STATISTICAL REPORTS—ORDERS, PRODUCTION, MILL ACTIVITY

Period	Orders Received Tons	Production Tons	Unfilled Orders Remaining Tons	Percent of Activity Current	Percent of Activity Cumulative
1940—Month of—					
January	528,155	579,739	167,240	72	71
February	420,639	453,518	137,631	70	71
March	429,334	449,221	129,466	69	70
April	520,907	456,942	193,411	70	70
May	682,490	624,184	247,644	76	72
June	508,005	509,781	236,693	79	73
July	544,221	587,339	196,037	72	73
August	452,613	487,127	162,653	74	73
September	468,870	470,228	163,769	72	73
October	670,473	648,611	184,002	79	73
November	488,990	509,945	161,985	77	73
December	464,537	479,099	151,729	71	73
1941—Month of—					
January	673,446	629,863	202,417	75	--
February	608,521	548,579	261,650	81	--
March	652,128	571,050	337,022	82	--
April	857,732	726,460	447,525	83	--
May	656,437	602,323	488,993	84	--
June	634,684	608,995	509,231	88	--
July	509,231	807,440	737,420	86	--
August	659,722	649,031	576,529	94	--
September	642,879	630,524	578,402	94	--
October	839,272	831,991	568,264	99	--
November	640,188	649,021	554,417	98	--
1941—Week Ended—					
July 5	149,197	129,019	529,633	74	82
July 12	147,365	131,531	542,738	77	82
July 19	168,431	156,989	550,902	92	81
July 26	182,603	160,609	572,532	92	82
Aug. 2	159,844	159,272	572,635	93	83
Aug. 9	174,815	159,894	587,498	91	83
Aug. 16	169,472	162,889	592,840	92	83
Aug. 23	158,403	162,964	584,484	94	83
Aug. 30	157,032	163,284	576,529	97	84
Sept. 6	147,086	133,031	591,414	80	84
Sept. 13	164,057	166,781	589,770	98	84
Sept. 20	176,263	166,797	583,716	99	84
Sept. 27	155,473	163,915	578,402	98	85
Oct. 4	176,619	168,256	582,287	100	85
Oct. 11	159,337	164,374	575,627	99	85
Oct. 18	167,440	165,795	574,991	98	86
Oct. 25	165,279	168,146	568,161	100	86
Nov. 1	170,597	165,420	568,264	99	86
Nov. 8	169,585	159,860	576,923	97	86
Nov. 15	156,394	165,397	570,430	99	87
Nov. 22	145,098	160,889	550,383	96	87
Nov. 29	169,111	164,875	554,417	101	87
Dec. 6	181,185	166,080	567,373	102	87

Note—Unfilled orders of the prior week plus orders received, less production, do not necessarily equal the unfilled orders at the close. Compensation for delinquent reports, orders made for or filled from stock, and other items made necessary adjustments of unfilled orders.

Value Of Bonds On N. Y. Stock Exchange

As of the close of business Nov. 29, there were 1,281 bond issues aggregating $57,821,383,127 par value listed on the New York Stock Exchange with a total market value of $54,812,793,945, it was announced by the Exchange on Dec. 8. This compares with 1,274 bond issues aggregating $57,855,667,727 par value listed on the Exchange Oct. 31, 1941, with a total market value of $55,106,635,894.

In the following tables listed bonds are classified by governmental and industrial groups with the aggregate market value and average price for each:

Group—	Nov. 29, 1941 Market Value $	Nov. 29, 1941 Average Price $	Oct. 31, 1941 Market Value $	Oct. 31, 1941 Average Price $
U. S. Government (incl. States, Cities, etc.)	39,607,192,166	108.17	39,753,699,340	108.59
U. S. companies:				
Amusements	45,406,942	99.19	45,203,578	99.27
Automobile	13,992,814	103.50	14,133,762	104.34
Building	21,033,896	91.60	21,521,402	93.72
Business and office equipment	15,356,250	102.38	15,337,500	102.25
Chemical	76,522,500	99.51	75,798,250	98.57
Electrical equipment	16,125,000	107.50	16,125,000	107.50
Financial	50,213,886	102.67	50,358,763	102.70
Food	211,495,570	105.37	211,295,637	105.27
Land and realty	9,032,768	64.44	9,376,438	65.48
Machinery and metals	49,870,914	99.89	49,864,845	99.88
Mining (excluding iron)	88,959,796	55.11	91,030,506	56.34
Paper and publishing	59,495,196	100.69	59,721,127	101.08
Petroleum	587,938,111	104.45	598,076,993	104.44
Railroad	6,378,719,448	61.03	6,453,056,399	61.65
Retail merchandising	11,871,528	77.26	11,926,703	77.62
Rubber	75,304,488	101.54	75,086,781	101.24
Ship building and operating	23,313,818	101.63	23,170,418	101.00
Shipping services	17,582,062	63.26	17,415,376	62.66
Steel, iron and coke	560,931,700	101.82	568,150,661	101.86
Textiles	26,611,140	100.25	26,642,060	100.36
Tobacco	41,023,259	121.83	41,194,740	122.34
Utilities:				
Gas and electric (operating)	3,182,878,376	108.30	3,192,560,678	108.63
Gas and electric (holding)	116,704,375	105.14	117,073,125	105.47
Communications	1,229,382,762	109.56	1,231,990,072	109.79
Miscellaneous utilities	80,515,755	54.49	81,696,082	55.26
U. S. companies oper. abroad	102,723,415	53.72	100,240,374	52.42
Miscellaneous businesses	32,216,875	105.63	32,261,250	105.77
Total U. S. companies	13,125,222,644	77.07	13,230,308,520	77.54
Foreign government	1,304,941,359	45.28	1,344,633,609	46.59
Foreign companies	775,437,776	59.98	777,994,425	60.01
All listed bonds	54,812,793,945	94.80	55,106,635,894	95.25

The following table, compiled by us, gives a two-year comparison of the total market value and the total average price of bonds listed on the Exchange:

	Market Value	Average Price		Market Value	Average Price
1939—			**1940—**		
Oct. 31	$47,621,245,885	$90.79	Nov. 30	$50,755,887,399	$93.58
Nov. 30	47,839,377,778	91.24	Dec. 31	50,831,283,315	93.84
Dec. 30	49,919,813,386	92.33	**1941—**		
1940—			Jan. 31	50,374,446,095	93.05
Jan. 31	49,678,905,641	92.02	Feb. 28	50,277,456,796	92.72
Feb. 29	49,605,261,998	91.97	Mar. 31	52,252,053,607	93.73
Mar. 30	50,906,387,149	92.86	April 30	52,518,036,554	94.32
April 30	49,611,937,544	92.48	May 30	52,321,710,056	94.22
May 31	46,936,861,020	87.87	June 30	53,237,234,699	94.80
June 29	47,665,777,410	90.14	July 31	53,259,696,637	95.04
July 31	48,601,638,211	90.96	Aug. 30	53,216,867,646	94.86
Aug. 31	49,238,728,732	91.33	Sept. 30	53,418,055,935	94.74
Sept. 30	49,643,200,867	92.08	Oct. 31	55,106,635,894	95.25
Oct. 31	50,438,409,964	92.84	Nov. 29	54,812,793,945	94.80

Agriculture Dept. Lowers Cotton Crop Forecast

The Agricultural Department at Washington on Dec. 8 issued its report on cotton acreage, condition and production as of Dec. 1. None of the figures take any account of linters. Below is the report in full:

A United States cotton crop of 10,976,000 bales is forecast by the Crop Reporting Board of the United States Department of Agriculture, based upon indications as of Dec. 1, 1941. This is a reduction of 44,000 bales from the forecast as of Nov. 1 and compares with 12,566,000 bales ginned in 1940, 11,817,000 bales in 1939, and 13,246,000 bales, the 10-year (1930-39) average. The indicated yield per acre for the United States of 235.4 pounds compares with 252.5 pounds in 1940, 237.9 pounds in 1939, and 205.4 pounds, the 10-year (1930-39) average.

Harvested acreage is now estimated at 22,376,000 acres which is 93.8% of the 23,861,000 acres harvested in 1940. The December estimate is about 1.1% less than used in preparing the reports for September, October, and November. The area in cultivation on July 1 is placed at 23,250,000 acres with abandonment estimated at 3.8%. In estimating abandonment the Board made allowance for acreage removed by farmers after July 1 for compliance with the Agricultural Conservation program.

During much of the 1941 season, growing conditions were favorable in the Mississippi River delta and in Western Oklahoma and Texas, but unfavorable in the southeast. The crop was earlier than usual throughout the season from Mississippi east and later than usual in Texas, Oklahoma, and the Western States. Up to August 1, boll weevils multiplied rapidly because of frequent showers and the heaviest infestation since 1932 was in prospect. The infestation was most serious in central South Carolina and Georgia.

Unfavorable weather continued during August in the entire area from Georgia to Arkansas and east Texas, and boll weevil damage continued. Precipitation in Oklahoma and Texas was favorable in the western parts of those States and hot weather in Virginia and North Carolina held boll weevils in check.

During September there was improvement in the crop in States adjoining the Mississippi River and in Alabama due to dry weather and high temperatures which checked weevil activities and caused rapid development of the crop. Moderate rainfall was helpful in Oklahoma, but excessive rainfall caused deterioration in Louisiana and Texas except in the northwest where it further improved prospects.

By Nov. 1 further evidence of boll weevil damage had developed in Mississippi, Louisiana, and Arkansas, but in North Carolina, Tennessee, and Missouri, light rainfall and above-normal temperatures in October facilitated harvesting and increased prospective production. In South Carolina and Louisiana and to a considerable extent in Georgia and east Texas crop prospects continued unfavorable through the season.

The proportion of the crop ginned to Dec. 1 was higher than average in all States east of Texas and Oklahoma. Missouri had exceptionally high percentage ginned. In Texas and Oklahoma, where most of the unpicked cotton is in the West, and in the Western States, the percentage ginned to Dec. 1 was much below average.. New high record yields were recorded in Missouri and Tennessee and the highest yield of recent years in Oklahoma. Yields were very low in South Carolina, Georgia, Louisiana, and Florida. The yield in Alabama was just about average. Other States had above average yields, with high yields in northwest Texas more than offsetting the low yields in the central and eastern parts of that State.

Cotton Report As Of Dec. 1, 1941

The Crop Reporting Board of the U. S. Department of Agriculture makes the following report from data furnished by crop correspondents, field statisticians, and cooperating State agencies. The final total ginnings for the season will depend upon whether the various influences affecting the harvesting of the portion of the crop still in the field, will be more or less favorable than usual.

State—	Acreage for 1941 crop: Left for harvest 1,000 acres	Acreage for 1941 crop: In cultivation July 1 1,000 acres	Yield per acre: Aver. 1930-39 lb.	Yield per acre: 1940 lb.	Yield per acre: 1941 (Dec. 1 est.) lb.	Average gross wt. of running bales* 1941 (Dec. 1 est.) lb.	Product. (Ginnings)† 500 lb. gross wt. bales: Aver. 1930-39 1,000 bales	Product.: 1940 Crop 1,000 bales	Product.: 1941 Crop (Dec. 1 est.) 1,000 bales
Missouri	412	416	362	454	570	502	292	388	490
Virginia	36	37	260	370	373	495	33	25	28
N. Carolina	796	813	286	427	335	492	629	739	556
S. Carolina	1,172	1,233	265	375	165	494	824	966	405
Georgia	1,826	1,874	221	250	164	493	1,132	1,010	624
Florida	65	67	146	154	125	491	32	21	17
Tennessee	700	710	257	340	411	518	465	509	600
Alabama	1,755	1,800	216	190	216	508	1,145	779	790
Mississippi	2,375	2,459	246	240	287	511	1,585	1,250	1,420
Arkansas	2,020	2,097	236	349	343	521	1,281	1,501	1,445
Louisiana	1,032	1,087	237	194	147	508	703	456	315
Oklahoma	1,658	1,731	136	211	217	516	750	802	750
Texas	7,794	8,180	154	184	169	520	3,766	3,234	2,745
New Mexico	114	117	440	576	483	509	100	128	115
Arizona	250	253	401	424	389	512	159	195	203
California	351	355	538	749	609	509	333	545	446
All other	20	21	320	394	635	493	16	18	27
United States	22,376	23,250	205.4	252.5	235.4	511.8	13,246	12,566	10,976
‡Sea Island	34.4	40.0	----	72	39	394	-----	4.0	2.8
‡Am. Egyptian	134.4	135.9	236	233	223	512	17	33	62
§Lower Calif. (Old Mex.)	179	180	205	236	270	---	38	60	101

*Continuing round bales as half bales. †Allowances made for interstate movement of seed cotton for ginning. Not including production of linters. ‡Included in State and United States totals. Sea Island grown principally in Georgia and Florida. American Egyptian grown principally in Arizona. §Not included in California figures, nor in United States total.

Business Organizations Pledge Fullest Cooperation To Government In War Effort

Following the declaration of war by Congress on Dec. 8, various business organizations sent telegrams to President Roosevelt pledging full cooperation and offering their services in the national war effort.

Industry's pledge was given in the following statement to the President sent by Walter D. Fuller, President of the National Association of Manufacturers, and William P. Witherow, President-elect of the Association:

Industry stands squarely behind the President and Congress in the fateful action taken today.

American lives have been lost in bombings; ships sunk; planes destroyed. These lives will be avenged through uninterrupted production on the factory front. The munitions of war can and will be replaced.

Industry will build two battleships for every one that sinks.

It will match every enemy bomb with a dozen.

It will blacken the skies with planes to replace the ones shot down.

Industry's production to arm our fighting forces will be limited only by the human endurance of the men who man and manage its facilities.

We Americans have not always seen eye to eye among ourselves. But, as always, aggression from without fuses our family differences in unity of purpose. The enemies of our democratic way will find us one unbreakable phalanx in which class, creed and petty politics are forgotten.

With every other patriotic element in the country, industry is on the march! It will produce, produce, and produce to the end that victory shall be swift and sure.

The complete support of the Nation's banks was pledged by Henry K. Koeneke, President of the American Bankers Association, and the readiness of the commercial banks in New York State to aid was offered by Eugene C. Donovan, President of the New York State Bankers Association.

A pledge of allegiance and support of the Investment Bankers Association of America, unanimously adopted at the organization's annual convention in Florida on Dec. 5, was transmitted to President Roosevelt on Dec. 9 by John S. Fleek, of Cleveland, incoming President of the Association.

The Association of Life Insurance Presidents, at their convention in New York on Dec. 11, unanimously voted to pledge "its utmost loyal and energetic support" and on the same day the members of the New York Cotton Exchange adopted a similar resolution.

Assurance of the full support of the National Association of Securities Dealers, Inc., was given to the Government on Dec. 11 by Wallace H. Fulton, Executive Director of the organization.

Among other business organizations in New York pledging their support to the country were the Chamber of Commerce of the State of New York, the Commerce and Industry Association of New York, Inc., and the New York Board of Trade.

Lend-Lease Continues

The White House, in a statement issued Dec. 8, charged that Germany had done all it could "to push Japan into the war" with the hope that such a conflict "would put an end to the lend-lease program." The statement added that this program of aiding nations fighting other Axis powers "is and will continue in full operation.."

The White House statement said:

Obviously Germany did all it could to push Japan into the war. It was the German hope that if the United States and Japan could be pushed into war such a conflict would put an end to the lend-lease program.

As usual, the wish is father to the thought behind the broadcasts and public announcements emanating from Germany with relation to the war and the lend-lease program.

That such German broadcasts and announcements are continuously and completely 100% inaccurate is shown by the fact the lend-lease program is, and will continue in full operation.

Retail Prices Gained Further In November According To Fairchild Publications Index

There was a further advance in retail prices during November, the Fairchild Publications Retail Price Index having gained 1.2%, reaching a new high in the present upward movement. Current prices are also 14.7% above the corresponding period a year ago, and 20.9% above the low immediately preceding the outbreak of hostilities in 1939. The advance of 1.2% during the month compares with the gain of 1% during the previous month. Current quotations are also 11.3% above the 1937 high.

The following is also from an announcement issued Dec. 12 by Fairchild Publications:

Each one of the major groups advanced again during the month, with piece goods recording the greatest gain. Home furnishings, for the first time in months, showed the smallest advance. Piece goods also showed the greatest gain above a year ago, with infants' wear recording the smallest advance. In comparison with the period immediately preceding the outbreak of hostilities, piece goods showed the greatest gain, and infants' wear showed the smallest gain. With the exception of furs, each item in the index either gained or remained unchanged. The greatest advances during the month were recorded by cotton piece goods, men's underwear and shoes. In comparison with a year ago the greatest advances were recorded by cotton piece goods, sheets and pillow cases, women's hosiery, women's aprons and housedresses, furs and furniture. These items also showed the greatest gains over the period immediately preceding the outbreak of war in 1939.

Retail prices are still below replacement levels at wholesale. Therefore a further gain in retail quotations is indicated, according to A. W. Zlomek, economist, under whose supervision the index is compiled. He points out, however, that the gain during coming months will be at a lower rate of advance.

THE FAIRCHILD PUBLICATIONS RETAIL PRICE INDEX
Jan. 3, 1931=100
Copyright 1941 Fairchild News Service

	May 1, 1933	Dec. 1, 1940	Sept. 2, 1941	Oct. 1, 1941	Nov. 1, 1941	Dec. 1, 1941
Composite index	69.4	93.7	102.6	105.2	106.2	107.5
Piece goods	65.1	86.8	97.1	99.9	101.6	103.7
Men's apparel	70.7	89.3	93.3	95.5	96.5	97.5
Women's apparel	71.8	92.4	100.4	104.1	105.7	106.9
Infants' wear	76.4	97.7	100.0	101.2	102.1	103.2
Home furnishings	70.2	95.6	104.9	106.9	108.5	109.5
Piece Goods—						
Silks	57.4	69.1	76.7	78.9	79.8	80.7
Woolens	69.2	88.0	95.8	98.4	99.5	101.2
Cotton wash goods	68.6	103.2	118.7	122.4	125.6	129.2
Domestics—						
Sheets	65.0	93.5	104.8	108.9	111.4	113.2
Blankets & comfortables	72.9	116.7	122.8	123.8	124.4	125.3
Women's Apparel—						
Hosiery	59.2	73.4	79.4	83.4	86.0	87.8
Aprons & house dresses	75.5	106.4	114.6	121.4	124.6	127.4
Corsets & brassieres	83.6	92.9	96.3	99.1	100.1	102.1
Furs	66.8	106.9	133.0	138.1	*138.1	*136.4
Underwear	69.2	85.9	90.7	93.8	95.7	97.7
Shoes	76.5	88.9	89.5	89.6	89.6	89.8
Men's Apparel—						
Hosiery	64.9	87.6	91.3	94.3	94.8	96.0
Underwear	69.6	92.0	96.6	100.3	102.8	105.5
Shirts & neckwear	74.3	86.0	88.3	90.0	91.4	91.8
Hats & caps	69.7	83.3	86.9	89.0	89.1	89.4
Clothing incl. overalls	70.1	92.1	97.1	98.3	99.2	99.7
Shoes	76.3	94.8	99.6	101.0	101.7	102.6
Infants' Wear—						
Socks	74.0	103.8	105.3	106.3	106.3	107.3
Underwear	74.3	95.2	96.8	98.8	100.3	100.7
Shoes	80.9	94.1	97.9	98.6	99.6	101.5
Furniture	69.4	102.7	120.5	123.1	124.7	125.5
Floor coverings	79.9	127.6	136.7	138.3	138.6	140.4
Musical instruments	50.6	53.8	58.9	61.3	*64.6	*65.6
Luggage	60.1	76.0	81.8	84.2	*89.2	*89.7
Electrical Household— Appliances	72.5	79.9	87.1	89.0	*90.4	*91.1
China	81.5	94.7	103.4	104.1	105.1	105.6

Note:—Composite index is a weighted aggregate. Major group indexes are arithmetic averages of subgroups.

*The Federal tax of 10% at retail is excluded in the computation of the fur index. The excise taxes on luggage, radios, and electrical appliances are levied on the manufacturers.

Trading On New York Exchanges

The Securities and Exchange Commission made public on Dec. 12 figures showing the daily volume of total round-lot stock sales on the New York Stock Exchange and the New York Curb Exchange and the volume of round-lot stock transactions for the account of all members of these exchanges in the week ended Nov. 29, 1941, continuing a series of current figures being published by the Commission. Short sales are shown separately from other sales in these figures, the Commission explained.

Trading on the Stock Exchange for the account of members (except odd-lot dealers) during the week ended Nov. 29 (in round-lot transactions) totaled 591,727 shares, which amount was 11.01% of total transactions on the Exchange of 5,164,270 shares. This compares with member trading during the previous week ended Nov. 22 of 387,770 shares or 11.34% of total trading of 3,657,060 shares. On the New York Curb Exchange, member trading during the week ended Nov. 29 amounted to 165,175 shares, or 12.76% of the total volume on that Exchange of 1,183,800 shares; during the preceding week trading for the account of Curb members of 104,145 shares was 12.34% of total trading of 816,045 shares.

The Commission made available the following data for the week ended Nov. 29:

The data published are based upon weekly reports filed with the New York Stock Exchange and the New York Curb Exchange by their respective members. These reports are classified as follows:

	N. Y. Stock Exchange	N. Y. Curb Exchange
Total Number of Reports Received	1,055	764
1. Reports showing transactions as specialists	188	98
2. Reports showing other transactions initiated on the floor	181	28
3. Reports showing other transactions initiated off the floor	205	106
4. Reports showing no transactions	569	538

Note—On the New York Curb Exchange, odd-lot transactions are handled solely by specialists in the stocks in which they are registered and the round-lot transactions of specialists resulting from such odd-lot transactions are not segregated from the specialists' other round-lot trades. On the New York Stock Exchange, on the other hand, all but a fraction of the odd-lot transactions are effected by dealers engaged solely in the odd-lot business. As a result, the round-lot transactions of specialists in stocks in which they are registered are not directly comparable on the two exchanges.

The number of reports in the various classifications may total more than the number of reports received because a single report may carry entries in more than one classification.

Total Round-Lot Stock Sales on the New York Stock Exchange and Round-Lot Stock Transactions for Account of Members* (Shares)
Week Ended Nov. 29, 1941

	Total For Week	Per Cent a
A. Total Round-Lot Sales		
Short sales	109,420	
Other sales b	5,054,850	
Total sales	5,164,270	
B. Round-Lot Transactions for the Account of Members, Except for the Odd-Lot Accounts of Odd-Lot Dealers and Specialists		
1. Transactions of specialists in stocks in which they are registered		
Total purchases	292,740	
Short sales	67,500	
Other sales b	254,160	
Total sales	321,660	5.95
2. Other transactions initiated on the floor		
Total purchases	129,710	
Short sales	14,600	
Other sales b	107,920	
Total sales	122,520	2.44
3. Other transactions initiated off the floor		
Total purchases	123,200	
Short sales	12,150	
Other sales b	135,397	
Total sales	147,547	2.62
4. Total		
Total purchases	545,650	
Short sales	94,250	
Other sales b	497,477	
Total sales	591,727	11.01

Total Round-Lot Stock Sales on the New York Curb Exchange and Stock Transactions for Account of Members* (Shares)
Week Ended Nov. 29, 1941

	Total For Week	Per Cent a
A. Total Round-Lot Sales		
Short sales	7,385	
Other sales b	1,176,415	
Total sales	1,183,800	
B. Round-Lot Transactions for the Account of Members		
1. Transactions of specialists in stocks in which they are registered		
Total purchases	68,415	
Short sales	5,185	
Other sales b	113,955	
Total sales	119,140	7.92
2. Other transactions initiated on the floor		
Total purchases	15,300	
Short sales	400	
Other sales b	13,770	
Total sales	14,170	1.24
3. Other transactions initiated off the floor		
Total purchases	53,320	
Short sales	1,000	
Other sales b	30,865	
Total sales	31,865	3.60
4. Total		
Total purchases	137,035	
Short sales	6,585	
Other sales b	158,590	
Total sales	165,175	12.76
C. Odd-Lot Transactions for the Account of Specialists		
Customers' short sales	0	
Customers' other sales c	80,033	
Total purchases	80,033	
Total sales	36,253	

*The term "members" includes all regular and associate Exchange members, their firms and their partners, including special partners.

a Shares in members' transactions as per cent of twice total round-lot volume. In calculating these percentages, the total members' transactions is compared with twice the total round-lot volume on the Exchange for the reason that the total of members' transactions includes both purchases and sales, while the Exchange volume includes only sales.

b Round-lot short sales which are exempted from restriction by the Commission rules are included with "other sales."

c Sales marked "short exempt" are included with "other sales."

Flour Production Falls Sharply In November Below October Levels

Flour production, according to reports received by "The Northwestern Miller" by plants representing 65% of the total national output, in November fell sharply under that of the previous month—more than 850,000 bbls., in fact—and trailed about 258,000 bbls. behind the output of November, 1940.

Total production for November was compiled at 5,614,551 bbls., compared with 6,469,796 the month before and 5,872,252 the same month last year. All the major producing sections registered decreases from their October, 1941, figures.

The Northwestern decline over the month was about 220,700 bbls., but the total of 1,342,045 bbls. represented a 30,000-bbl. increase over the 1940 total for November. Buffalo mills showed a drop of 74,000 bbls. from October but made a gain of 24,350 bbls. over the 1940 figure.

Southwestern production, totaling 2,061,596 bbls. for November, was 37,400 bbls. under that of October and 52,600 bbls. below the November, 1940, figure.

In the Pacific Northwest, big decreases were also noted, especially the 237,000-bbl. slip from last year's monthly total. In the eastern Central West, a gain was made over the 1940 output, however.

Below is a detailed table, with comparable figures:

TOTAL MONTHLY FLOUR PRODUCTION
(Reported by mills producing 65% of the flour manufactured in the U. S.)

	November 1941	Previous month	November 1940	November 1939	November 1938
Northwest	1,342,045	1,562,742	1,312,016	1,245,656	1,387,477
Southwest	2,061,596	2,433,107	2,114,191	2,014,031	2,028,645
Buffalo	817,839	891,998	793,494	715,294	819,754
Central West—Eastern Division	590,049	623,779	545,842	527,853	499,648
Western Division	216,043	273,007	251,299	254,695	265,488
Southeast	103,617	107,751	134,687	124,799	*173,246
Pacific Coast	483,356	577,412	720,723	474,388	437,991
Totals	5,614,551	6,469,796	5,872,252	5,356,713	5,612,249

*Includes Indiana, since 1938 under Central West, Eastern Division.

Canadian Industrial Activity Still Rising

The level of Canadian industrial activity as a whole has continued to rise, partly to fill Government war orders and partly to satisfy increased consumer demand, mainly for non-capital goods, it is stated by A. E. Arscott, General Manager of The Canadian Bank of Commerce. "Our index," Mr. Arscott said, "registered 165 at mid-November (1937=100) as compared with 162 in October and 134 in November, 1940. The percentage of factory capacity utilized rose in the month from 114 to 117." He continued:

The output of foodstuffs, especially confectionery, cereals and meats, increased, but the clothing group receded as a whole owing to a sharp seasonal decline in women's clothing which more than offset moderate increases in men's clothing and furnishings, knitted and piece goods and footwear.

Less activity in the manufacture of paper bags and boxes and in pulp and newsprint lowered the index for the pulp and paper group. There was no net change in other forest products, although furniture factories were slightly busier.

The major factor causing a rise in the composite index was the speeding up in the automotive trades to a point approaching that of the past summer; most of this activity is of course due to Government orders. There was no net change in either the iron and steel or the non-ferrous metal groups, but there has been a trend towards stabilization of the heavy sections and an acceleration of the lighter trades, many of which are working on war orders. There appears to be a definite recession in the output of household and other civilian goods in these groups, as is only to be expected in this period of war effort. Industrial products such as leather and rubber accounted for a moderate rise in the miscellaneous group.

Our wage payroll index for October was 189 (1937=100) compared with 174 for September (revised) and 142 for October, 1940. The most important rise was in manufacturing payrolls which increased nearly 11% but other major industries also showed increases, with the exception of the retail section of trade.

New York Loan Bank Gen'l Counsel Resigns

George MacDonald, Chairman of the Board of Directors of the Federal Home Loan Bank of New York, has announced the resignation of Judge Fred G. Stickel, Jr. of Newark, N. J., as General Counsel of the Bank. Judge Stickel tendered his resignation a number of months ago so that he might devote his entire time to his law practice, but stayed on at the request of the Board of Directors until the many important legal phases of the New Jersey Building and Loan reorganization program were disposed of and until satisfactory arrangements could be made for a successor. "The legality of that program having now been sustained by the Courts and the program being well under way, the Board has reluctantly and regretfully accepted Judge Stickel's resignation," Mr. MacDonald said.

At the same time Mr. MacDonald announced the appointment of Joseph F. X. O'Sullivan of Bayonne, N. J., as the Bank's office attorney. Mr. O'Sullivan was admitted to the Bar of New Jersey in 1933 and there engaged in the practice of law, later becoming associated with the Federal Savings and Loan Insurance Corporation handling legal matters for the Second Federal Home Loan Bank District.

Weekly Coal And Coke Production Statistics

The Bituminous Coal Division, U. S. Department of the Interior, in its latest coal report, stated that the total production of bituminous coal in the week ended Dec. 6 is estimated at 10,700,000 net tons. This is in comparison with 11,280,000 tons in the preceding week and 9,820,000 tons in the corresponding week last year.

The U. S. Bureau of Mines reported that the production of Pennsylvania anthracite for the week ended Dec. 6 was estimated at 775,000 tons, a decrease of 33,000 tons from the preceding week. Output in the corresponding week of 1940 amounted to 1,032,000 tons.

ESTIMATED UNITED STATES PRODUCTION OF SOFT COAL (IN THOUSANDS OF NET TONS), WITH COMPARABLE DATA ON PRODUCTION OF CRUDE PETROLEUM

	Week Ended			Calendar Year to Date c		
	Dec. 6, 1941	Nov. 29, 1941d	Dec. 7, 1940	1941e	1940	1929
Bituminous coal a						
Total, including mine fuel	10,700	11,280	9,820	469,727	421,665	501,610
Daily average	1,783	f1,958	1,636	1,646	1,467	1,733
Crude petroleum b						
Coal equivalent of weekly output	6,580	6,546	5,787	299,294	288,640	216,088

a Includes for purposes of historical comparison and statistical convenience the production of lignite. b Total barrels produced during the week converted to equivalent coal assuming 6,000,000 B.t.u. per barrel of oil and 13,100 B.t.u. per pound of coal. Note that most of the supply of petroleum products is not directly competitive with coal ("Minerals Yearbook," 1939, page 702). c Sum of 49 full weeks ended Dec. 6, 1941, and corresponding 49 weeks of 1940 and 1929. d Revised. e Subject to current adjustment. f Average based on 5.76 working days.

ESTIMATED PRODUCTION OF PENNSYLVANIA ANTHRACITE AND BEEHIVE COKE (IN NET TONS)

	Week Ended			Calendar Year to Date		
	Dec. 6 1941	Nov. 29 1941	Dec. 7 1940	1941	1940 a	1929 a
Penn. anthracite—						
Total, incl. colliery fuel b	775,000	808,000	1,032,000	51,008,000	47,199,000	68,035,000
Comm'l production c	736,000	768,000	980,000	48,463,000	44,839,000	63,136,000
Beehive Coke—						
U. S. Total	148,900	135,900	120,100	5,850,700	2,670,000	6,178,200
Daily average	24,817	22,650	20,017	20,105	9,175	21,231

(a) Adjusted to comparable periods in the three years. (b) Includes washery and dredge coal, and coal shipped by truck from authorized operations. (c) Excludes colliery fuel.

ESTIMATED WEEKLY PRODUCTION OF COAL, BY STATES
(In Thousands of Net Tons)

(The current weekly estimates are based on railroad carloadings and river shipments and are subject to revision on receipt of monthly tonnage reports from district and State sources or of final annual returns from the operators.)

	Week Ended					Nov. average
State—	Nov. 29, 1941	Nov. 22, 1941	Nov. 30, 1940	Dec. 2, 1939	Nov. 30, 1929	1923 e
Alaska	3	4	4	3	(f)	(f)
Alabama	355	217	314	259	294	409
Arkansas and Oklahoma	89	97	94	51	131	100
Colorado	187	156	196	164	274	236
Georgia and North Carolina	1	1	*	*	(f)	(f)
Illinois	1,242	1,170	1,179	1,096	1,389	1,571
Indiana	573	547	432	404	364	536
Iowa	67	66	72	65	91	128
Kansas and Missouri	168	160	156	161	160	175
Kentucky—Eastern	928	601	757	656	852	724
Western	260	230	183	181	313	218
Maryland	37	18	32	40	43	35
Michigan	8	5	5	9	15	26
Montana	98	100	84	70	78	83
New Mexico	30	31	24	23	52	62
North and South Dakota	83	96	85	53	f56	f35
Ohio	700	620	451	454	403	764
Pennsylvania bituminous	2,406	1,684	2,397	2,361	2,443	2,993
Tennessee	134	141	112	109	104	117
Texas	8	9	9	16	15	29
Utah	107	94	106	80	141	112
Virginia	402	328	292	308	248	217
Washington	49	52	44	39	54	72
West Virginia—Southern a	2,275	1,513	1,865	1,735	1,864	1,271
Northern b	891	520	650	660	632	776
Wyoming	179	154	168	122	155	184
Other Western States c	*	1	1	*	f5	f5
Total bituminous coal	11,280	8,615	9,712	9,119	10,176	10,878
Pennsylvania anthracite d	808	875	918	856	1,385	1,896
Total, all coal	12,088	9,490	10,630	9,975	11,561	12,774

a Includes operations on the N. & W.; C. & O.; Virginian; K. & M.; B. C. & G.; and on the B. & O. in Kanawha, Mason, and Clay counties. b Rest of State, including the Panhandle District and Grant, Mineral, and Tucker counties. c Includes Arizona, California, Idaho, Nevada, and Oregon. d Data for Pennsylvania anthracite from published records of the Bureau of Mines. e Average weekly rate for entire month. f Alaska, Georgia, North Carolina, and South Dakota included with "other Western States." * Less than 1,000 tons.

ESTIMATED PRODUCTION OF COAL, BY STATES, IN OCTOBER, WITH TOTAL OUTPUT FOR FIRST TEN MONTHS OF 1941, 1940 AND 1937
(In Thousands of Net Tons)

(Figures are preliminary estimates based on railroad carloadings and river shipments of coal and beehive coke, supplemented by direct reports from a number of mining companies, local coal operators' associations, and detailed monthly production statistics compiled by the State Mine Departments of Colorado, Illinois, Pennsylvania, Washington, and West Virginia. In making the estimates, allowance is made for commercial truck shipments, local sales, and colliery fuel, and for small trucking mines producing over 1,000 tons a year.

The estimates here given are based upon the latest information available, and differ in some cases from the current figures previously published in the Weekly Coal Report.)

State	October, 1941 Net tons	October, 1941 % of total	Sept., 1941	Oct., 1940	Calendar year to the end of October 1941	1940	1937
Alaska	15	.03	14	10	144	114	111
Alabama	1,223	2.42	1,264	1,330	12,390	12,542	10,242
Arkansas and Oklahoma	458	.91	540	287	2,696	2,385	2,331
Colorado	655	1.29	666	555	5,355	4,952	5,607
Georgia and N. Car.	3	.01	3	2	31	24	7
Illinois	4,868	9.62	4,658	4,077	43,260	39,447	41,054
Indiana	2,270	4.48	2,018	1,440	18,039	14,801	14,072
Iowa	232	.46	194	235	1,927	2,298	2,828
Kansas and Missouri	655	1.29	636	535	5,997	5,294	5,454
Kentucky:							
Eastern	4,370	8.63	4,083	3,220	34,540	33,520	32,307
Western	957	1.89	886	635	9,640	7,046	6,765
Maryland	166	.33	168	120	1,426	1,206	1,281
Michigan	34	.07	30	43	299	356	434
Montana	406	.80	314	298	2,664	2,296	2,327
New Mexico	106	.21	97	88	946	873	1,449
North and So. Dakota	322	.64	186	288	1,725	1,561	1,696
Ohio	3,107	6.14	2,930	1,650	23,838	18,332	20,946
Pennsylvania bituminous	12,205	24.11	11,150	10,782	101,094	92,404	95,614
Tennessee	681	1.34	620	460	5,523	5,030	4,297
Texas	37	.07	27	41	312	581	753
Utah	465	.92	450	340	3,153	2,662	3,046
Virginia	1,845	3.64	1,712	1,270	14,730	12,535	11,548
Washington	190	.38	176	146	1,512	1,317	1,644
West Virginia:							
Southern (a)	10,663	21.07	9,798	7,879	84,873	80,114	76,174
Northern (b)	3,951	7.80	3,689	2,401	31,132	25,674	24,695
Wyoming	728	1.44	659	564	5,153	4,456	4,722
Other West. States (c)	3	.01	2	4	24	13	11
Total bituminous coal	50,615	100.0	46,880	38,700	412,423	371,833	371,415
Penn. anthracite (d)	5.380	----	5,143	4,355	46,401	42,671	42,658
Total, All Coal	55,995	----	52,023	43,055	458,824	414,504	414,073

(a) Includes operations on the N. & W.; C. & O.; Virginian; K. & M.; B. C. & G.; and on the B. & O. in Kanawha, Mason, and Clay counties. (b) Rest of State, including the Panhandle District and Grant, Mineral, and Tucker counties. (c) Includes Arizona, California, Idaho, Nevada, and Oregon. (d) Data for Pennsylvania anthracite from published records of the Bureau of Mines.

Wholesale Prices Comparatively Steady In Pre-War Week, Reports Labor Bureau

During the week preceding the attack upon the United States by the Japanese, prices in wholesale commodity markets were comparatively steady. The Bureau of Labor Statistics' index of nearly 900 price series declined by 0.1% to 92.2% of the 1926 average, largely because of lower prices for foods. At this level, wholesale commodity prices were nearly 23% above those prevailing in August, 1939, when war broke out in Europe, and 15.5% higher than in the first week of December, 1940.

The Labor Bureau's announcement of Dec. 11 further said:

In addition to a decline of 0.6% in wholesale food prices, farm products and fuel and lighting materials dropped 0.3%. Textile products and miscellaneous commodities, on the other hand, advanced 0.1%.

Average wholesale prices for fresh fruits and vegetables dropped 1.4%. Oranges declined more than 21% and prices of apples and potatoes in Eastern markets were considerably lower than in the previous week. A sharp decline was reported for bread in the Chicago area and quotations were lower for butter, eggs, lard, rye flour, tea, mutton, ham and veal. Higher prices were reported for milk at Chicago, bread at Cincinnati, crackers, rice, flour, corn meal, certain canned and dried fruits and vegetables, lemons, fresh beef and pork, and for cocoa beans, molasses, pepper and cottonseed oil. Average wholesale prices for foods were slightly lower than in early November but were 20% above a year ago.

A sharp drop in livestock prices largely accounted for the decline in the average prices of farm products. Lambs and wethers were down about 9%; cows, nearly 5%; hogs and calves, more than 2%; and live poultry at New York, 5%. Grain prices, on the contrary, averaged 5½% higher than for the previous week; rye advanced 10%; wheat, corn and oats, about 5%; and barley, over 2%. In addition cotton rose 2.4% and quotations were also higher for hay, hops, seeds and wool.

Advancing prices for raw cotton permitted higher prices for cotton yarns and textiles under the sliding scale established by the Office of Price Administration. Manila hemp and raw jute declined nearly 6%.

The movement in prices for building materials was mixed. Prices were higher for rosin, shellac, gravel, sand, lime, for maple and oak lumber, and for certain types of yellow pine, such as boards, finish, flooring and timbers. Lower prices were reported for Douglas fir timbers, red cedar shingles and for yellow pine drop siding, dimension and lath. Turpentine declined nearly 2% during the week.

Aside from a sharp advance in prices for silver nitrate and phosphate rock, there was little change in quotations for chemicals and allied products.

The following tables show (1) index numbers for the principal groups of commodities for the past 3 weeks, for Nov. 8, 1941 and Dec. 7, 1940, and the percentage changes from a week ago, a month ago, and a year ago; (2) percentage changes in subgroup indexes from Nov. 29 to Dec. 6, 1941.

(1926 = 100)

Commodity Groups	12-6 1941	11-29 1941	11-22 1941	11-8 1941	12-7 1940	Percentage changes to Dec. 6, 1941, from— 11-29 1941	11-8 1941	12-7 1940
All Commodities	92.2	92.3	92.2	91.7	79.8	—0.1	+0.5	+15.5
Farm products	90.8	91.1	90.3	89.6	69.8	—0.3	+1.3	+30.1
Foods	88.7	89.2	89.5	88.8	73.9	—0.6	—0.1	+20.0
Hides and leather products	115.4	115.4	114.9	114.1	103.0	0.0	+1.1	+12.0
Textile products	90.7	90.6	90.4	90.4	74.3	+0.1	+0.3	+22.1
Fuel and lighting materials	79.2	79.4	79.4	79.7	72.8	—0.3	—0.6	+ 8.8
Metals and metal products	103.3	103.3	103.4	102.2	97.5	0.0	+1.1	+ 5.9
Building materials	107.4	107.4	107.4	107.1	99.1	0.0	+0.3	+ 8.4
Chemicals and allied products	89.7	89.7	89.5	89.8	77.6	0.0	—0.1	+15.6
Housefurnishing goods	101.9	101.9	101.7	100.1	90.2	0.0	+1.8	+13.0
Miscellaneous commodities	87.2	87.1	87.1	85.9	77.4	+0.1	+1.5	+12.7
Raw materials	90.0	90.2	89.7	89.2	73.4	—0.2	+0.9	+22.6
Semi-manufactured articles	89.7	89.6	89.5	89.5	80.5	+0.1	+0.2	+11.4
Manufactured products	93.9	93.9	94.0	93.5	83.1	0.0	+0.4	+13.0
All commodities other than farm products	92.6	92.6	92.6	92.2	82.1	0.0	+0.4	+12.8
All commodities other than farm products and foods	93.7	93.7	93.6	93.1	84.4	0.0	+0.6	+11.0

Percentage Changes in Sugroup Indexes from Nov. 29 to Dec. 6, 1941

Increases

Grains	5.5	Agricultural implements	0.1
Fertilizer materials	0.5	Plumbing and heating	0.1
Cotton goods	0.4	Furnishings	0.1
Meats	0.3	Cattle feed	0.1
Other miscellaneous	0.2	Paper and pulp	0.1
Woolen and worsted goods	0.1	Paint and paint materials	0.1

Decreases

Livestock and poultry	2.2	Cereal products	0.7
Fruits and vegetables	1.4	Other textile products	0.3
Other foods	1.3	Bituminous coal	0.2
Other farm products	0.8	Lumber	0.2

Anthracite Shipments—November, 1941

Shipments of Anthracite for the month of November, 1941, as reported to the Anthracite Institute, amounted to 3,166,083 net tons. This is a decrease, as compared with shipments during the preceding month of October, of 1,208,168 net tons, and when compared with November, 1940, shows a decrease of 230,305 net tons.

Shipments by originating carriers (in net tons) were reported as follows:

	Nov., 1941	Oct., 1941	Nov., 1940	Oct., 1940
Reading Co.	838,046	1,127,405	828,470	853,988
Lehigh Valley RR.	612,646	778,299	668,512	685,635
Central RR. of New Jersey	254,980	388,045	289,571	343,395
Delaware Lackawanna & Western RR.	368,326	486,977	415,230	480,620
Delaware & Hudson RR. Corp.	255,379	478,796	304,359	320,837
Pennsylvania RR.	343,384	389,985	351,353	383,053
Erie RR.	250,699	410,739	281,767	315,749
New York Ontario & Western Ry.	56,680	84,417	81,952	101,703
Lehigh & New England RR.	185,943	229,588	175,174	172,896
Total	3,166,083	4,374,251	3,396,388	3,657,876

SEC Completes Study Of Investment Cos.

The final portions of the Securities and Exchange Commission's report on its study of investment companies, conducted pursuant to Section 30 of the Public Utility Holding Company Act of 1935, were transmitted to the Congress on Dec. 4. They consist of Chapter II of Part Four, dealing with the economic significance of investment companies, and Part Five, dealing with the Commission's conclusions and recommendations.

The transmission of these chapters formally concludes the Commission's comprehensive investigation of investment companies. The investigation began in December, 1935, when knowledge of this industry, even in financial circles, was only fragmentary. In the course of the investigation all aspects of the industry were studied, digested, and made a matter of public record in the Commission's successive reports to the Congress. The information brought out in the investigation and reports provided much of the factual background for two statutes, the Investment Company Act of 1940 and the Investment Advisers Act of 1940. The following is also from an announcement by the SEC:

The entire investigation and the preparation of the Commission's reports was under the general supervision of Commissioner Robert E. Healy. Paul P. Gourrich was Director of the study until his resignation in March of 1939. William R. Spratt, Jr., served as Chief of the study until his death in June, 1938. Throughout the study the legal staff, and in its later stages the entire direction of the study, was under the immediate supervision of David Schenker, Counsel, and L. M. C. Smith, Associate Counsel.

The portion of the report transmitted to Congress today was prepared under the supervision of Robert C. Gilles, Warren G. Currie, William Parker, Donald B. Cooper, and Ruth Fielding, formerly of the Economic Section.

Judge Frank, former Chairman of the Commission, did not participate in the preparation or consideration of Chapter II of Part Four or Part Five.

Chapter II of Part Four, which was prepared in draft prior to the passage of the Investment Company Act of 1940, deals primarily with the economic significance of investment companies. It discusses in detail the role of investment companies in the capital market, including direct capital contributions to industry, particularly to small and new ventures; participation of investment companies in underwritings; the participation of investment companies in reorganizations; the participation of investment companies in redistribution of securities to companies; investment companies in the role of articulate minority stockholders, and investment companies as a medium for investors' savings. Part Five sets forth briefly the conclusions of the Commission.

Copies will not be available for public distribution until printed by the Government Printing Office.

Cuban Bond Redemption

J. P. Morgan & Co. Incorporated, fiscal agents, have drawn by lot for redemption on Jan. 15, 1942, out of moneys in the sinking fund, $842,000 principal amount of Republic of Cuba external loan 30-year sinking fund 5½% bonds, dated Jan. 26, 1923, at 100 and accrued interest. Payment will be made on or after Jan. 15 at the New York office of J. P. Morgan & Co. Incorporated.

Steel Plant Expansion To Be Pushed With New Speed—War Needs To Impose New Demands

Contraction of the automobile industry's peacetime activities is reflected in other leading industries, according to "The Iron Age" of Dec. 18. Late last week and early this week the automobile companies were suspending all or almost all of their unfilled steel orders. Space made available on steel rolling mill schedules was immediately taken by highly rated defense tonnage. The OPM is already in the process of allocating heavy tonnages of drum stock for barrels which will crowd all strip mills. Strip mills are likely also to take even greater tonnages of plates and heavy sheets which have been taken from large plate mills which now must concentrate on Navy and Maritime material, adds "The Iron Age," which further goes on to say:

Curtailment of civilian production, now in full swing, includes additional cuts in manufacture of washing machines and irons of from 5% to 40% below the monthly average sales in the 12 months ended June 30. The larger companies making these household items took the largest cuts and defense orders in this, as in some other civilian industries, are expected to cushion effects of the reduction.

Diversion of steel and other materials from peacetime plants to defense use is rapidly growing. At a meeting last week railroad car builders were told they would get 107,916 tons of plates in December, a greater tonnage than for any other recent month. This step gains significance with the pressure on the country's transportation system as a result of breaking out of war in the Pacific. Two hundred locomotives, distributed among three manufacturers, were ordered recently for export. All will get an A-1-a priority rating as will 5,000 railroad cars soon to be ordered for the Army for export.

At midweek it was clear that stricter control over all inventories of strategic materials was likely to be accompanied by formal requisitioning of such materials when they are not being put to direct war use. OPM has had power to control stocks but has been slow to use this authority. Now, however, with the armanent effort passing from the defense to the war stage, and with the Pacific war threatening supplies of tin, rubber, manganese, tungsten and other materials, defense officials may be forced to use their power to fill gaps in defense plant needs.

Defense leaders have appealed to American industry to "immediately and wholeheartedly" comply with all priority orders and requests for information issued by the OPM Priorities Division and other agencies.

This week brought a new flood of priority actions. Buyers of steel plates were told, for example, that Form PD-73, regardless of allocation of plates, must accompany each plate order because the OPM needs more than ever the information carried on the forms. The Priorities Division, acting to kill one of the rumors growing out of war, announced that retail consumers cannot and must not be expected to produce preference rating certificates when placing normal orders for finished goods. This declaration was intended chiefly for distributers of metal products.

First development in the steel expansion situation to follow U. S. entry into a shooting war is the announcement by W. L. Batt (OPM director of materials) that steel plant expansion will now be pushed with new speed. High military ratings will be given these projects which, Mr. Batt said would (1) increase pig iron capacity to balance present finishing facilities and to offset expected scrap shortages and (2) increase electric furnace and other facilities to provide special treatment steels, alloy steels and specific steel products necessary for war production.

Meanwhile the Office of Price Administration took a long expected step in freezing resale prices of steel at levels prevailing April 16, 1941. The order, effective Dec. 16, affects all distributors, dealers and jobbers, covering plumbing supplies, warehouses, hardware jobbers and dealers, industrial supply firms and oil field suppliers. Every steel seller is required to maintain records of sales, inventories and orders for inspection of the OPA. Sellers whose annual gross sales exceed $50,000 annually are required to file prices in effect on April 16.

Considerable fluctuation in district steel production rates is reported this week to "The Iron Age." The losses, however, counterbalanced the gains, leaving the national rate unchanged at 97.5% of capacity. The Pittsburgh rate this week is off 2 points to 97%, while Chicago is up 1½ points to 103%. Youngstown declined 1 point to 97%, Cleveland rose 2 points to 100%, while Wheeling lost 7 points to 86%. Detroit moved 2 points higher to 106% and the Eastern district was reported 7 points higher at 109%. The other districts were unchanged.

Incoming orders for steel are fairly close to the November rates, although some mills report an advance of as much as 10%. Many producers have been forced to turn away non-defense business, a step partly accounting for the leveling-off of orders. A large order has been placed for alloy steel bars to go into manufacture of shell caps. It is reported that the most promising steel shell casing that has developed thus far is one drawn from a forging.

THE "IRON AGE" COMPOSITE PRICES

Finished Steel

Dec. 16, 1941, 2.30467c. a Lb.

One week ago	2.30467c.
One month ago	2.30467c.
One year ago	2.30467c.

A weighted index based on steel bars, beams, tank plates, wire, rails, black pipe, hot and cold-rolled sheets and strip. These products represent 78% of the United States output.

	High		Low	
1941	2.30467c.	Sep 2	2.30467c.	Sep 2
1940	2.30467c.	Jan 2	2.24107c.	Apr 16
1939	2.35367c.	Jan 3	2.26689c.	May 16
1938	2.58414c.	Jan 4	2.27207c.	Oct 18
1937	2.58414c.	Mar 9	2.32263c.	Jan 4
1936	2.32263c.	Dec 28	2.05200c.	Mar 10
1935	2.07642c.	Oct 1	2.06492c.	Jan 8
1934	2.15367c.	Apr 24	1.95757c.	Jan 2
1933	1.95578c.	Oct 3	1.75836c.	May 2
1932	1.89196c.	Jly 5	1.83901c.	Mar 1
1931	1.99629c.	Jan 13	1.86586c.	Dec 29
1930	2.25488c.	Jan 7	1.97319c.	Dec 9
1929	2.31773c.	May 28	2.26498c.	Oct 29

Pig Iron

Dec. 16, 1941, $23.61 a Gross Ton

One week ago	$23.61
One month ago	23.61
One year ago	22.61

Based on averages for basic iron at Valley furnaces and foundry iron at Chicago, Philadelphia, Buffalo, Valley and Southern iron at Cincinnati

	High		Low	
1941	$23.61	Mar 20	$23.45	Jan 2
1940	23.45	Dec 23	22.61	Jan 2
1939	$22.61	Sep 19	$20.61	Sep 12
1938	23.25	Jun 21	19.61	Jly 6
1937	23.25	Mar 9	20.25	Feb 16
1936	19.74	Nov 24	18.73	Aug 17
1935	18.84	Nov 5	17.83	May 14
1934	17.90	May 1	16.90	Jan 27
1933	16.90	Dec 5	13.56	Jan 3
1932	14.81	Jan 5	13.56	Dec 6
1931	15.90	Jan 6	14.79	Dec 15
1930	18.21	Jan 7	15.90	Dec 16
1929	18.71	May 14	18.21	Dec 17

Steel Scrap

Dec. 16, 1941, $19.17 a Gross Ton

One week ago	$19.17
One month ago	19.17
One year ago	21.33

Based on No. 1 heavy melting steel scrap quotations to consumers at Pittsburgh, Philadelphia, and Chicago.

	High		Low	
1941	$22.00	Jan 7	$19.17	Apr 10
1940	21.83	Dec 30	16.04	Apr 9
1939	22.50	Oct 3	14.08	May 16
1938	15.00	Nov 22	11.00	Jun 7
1937	21.92	Mar 30	12.92	Nov 10
1936	17.75	Dec 21	12.67	Jun 9
1935	13.42	Dec 10	10.33	Apr 29
1934	13.00	Mar 13	9.50	Sep 25
1933	12.25	Aug 8	6.75	Jan 3
1932	8.50	Jan 12	6.43	Jly 5
1931	11.33	Jan 6	8.50	Dec 29
1930	15.00	Feb 18	11.25	Dec 9
1929	17.58	Jan 29	14.08	Dec 3

The American Iron and Steel Institute on Dec. 15 announced that telegraphic reports which it had received indicated that operating rate of steel companies having 91% of the steel capacity of the industry will be 97.9% of capacity for the week beginning Dec. 15, compared with 97.5% one week ago, 97.0% one month ago and 96.8% one year ago. This represents an increase of 0.4 points or 0.4%, from the preceding week. Weekly indicated rates of steel operations since Dec. 2, 1940, follow:

1940—		Feb 24	96.3%	Jun 16	99.0%	Sep 29	96.9%
Dec 2	96.9%	Mar 10	98.8%	Jun 23	99.9%	Oct 6	98.1%
Dec 9	96.0%	Mar 17	99.4%	Jun 30	91.8%	Oct 13	98.4%
Dec 16	96.8%	Mar 24	99.8%	Jly 7	94.9%	Oct 20	97.8%
Dec 23	80.8%	Mar 31	99.2%	Jly 14	95.2%	Oct 27	99.9%
Dec 30	95.9%	Apr 7	99.3%	Jly 21	96.0%	Nov 3	98.2%
1941—		Apr 14	98.3%	Jly 28	97.6%	Nov 10	96.6%
Jan 6	97.2%	Apr 21	96.0%	Aug 4	96.3%	Nov 17	97.0%
Jan 13	98.5%	Apr 28	94.3%	Aug 11	95.6%	Nov 24	95.9%
Jan 20	96.5%	May 5	96.8%	Aug 18	96.2%	Dec 1	97.6%
Jan 27	97.1%	May 12	99.2%	Aug 25	96.5%	Dec 8	97.5%
Feb 3	96.9%	May 19	99.9%	Sep 2	96.3%	Dec 15	97.9%
Feb 10	97.1%	May 26	98.6%	Sep 8	96.9%		
Feb 17	94.6%	Jun 2	99.2%	Sep 15	96.1%		
Mar 3	97.5%	Jun 9	98.6%	Sep 22	96.8%		

"Steel" of Cleveland, in its summary of the iron and steel markets, on Dec. 15 stated:

Entry of the United States into the World War last week has not yet been reflected in the iron and steel market, aside from a general tightening of nerves and improved morale among all interests. That war requirements will call for even greater production and further curtailment of steel to civilian users is fully recognized and all thinking is along these lines.

Steel, recognized as the basis of all war preparation, is being provided in tonnage never before attained and every possible method to increase output is welcomed. Pending completion of enlarged production facilities the only means by which more steel can be obtained for war use is limiting or cutting off supply to channels not connected with the main object. Already indications are being given of further reduction in automobile output and other articles probably will feel the hand of the government in heavy restriction. The President has indicated that half the steel formerly going to civilian use will be diverted to war purposes. This would indicate a sharp contraction in peacetime production.

In an effort to synchronize supply of raw materials OPM has placed allocation of scrap and pig iron under practically one agency, co-ordinating control of these two complementary materials, largely used by the same type of industrial plants. This is expected to ease the situation to some extent, though small supply of scrap will place an added burden on pig iron.

Pig iron production promises to be heavier from now on as additional blast furnace stacks come into production. National Steel Co. has blown in a stack at Detroit and has another practically ready at Weirton, W. Va. Two Carnegie-Illinois Steel Corp. and two Republic Steel Corp. furnaces are under way. Relining is almost completed on several other units. More pig iron may be a partial answer to lack of scrap, supply of which seems impossible of enlargement under present price conditions.

Announcement of unchanged prices on ferroalloys for first quarter has been made by a leading producer. Expectation had been that ferromanganese price would be increased in view of higher cost of manganese ore. Nevertheless the quotation of $120, seaboard, is maintained. This material has risen $40 per ton since September, 1939.

Production last week advanced 1 point to 97½% in spite of scrap shortage holding several districts down. St. Louis gained 10 points to 96% as furnaces were relighted. Chicago advanced 1½ points to 101½%, Detroit 5 points to 90 and Cleveland 2½ points from the revised rate of the previous week, to 94%. New England declined 8 points to 84% as another open hearth was taken off and Wheeling lost 1 point to 94%. Rates were unchanged as follows: Pittsburgh, 98; Youngstown, 92; Birmingham, 90; Eastern Pennsylvania, 87; Buffalo, 79; Cincinnati, 91.

Automobile production last week showed a gain with 95,990 cars, compared with 90,205 the previous week. In the corresponding week last year output was 125,625.

Tempo of the steel industry is indicated by shipment of 18,612,901 net tons of finished steel by the United States Steel Corp. in the first eleven months this year, compared with 13,431,487 tons in the corresponding period last year, a new record for these months. November shipment of 1,634,186 tons was the highest in history for that month, although 227,093 tons less than in October, largely due to the shorter month.

Weekly average production of steel ingots in November was second highest in history, 1,624,706 net tons, slightly under the record of 1,634,917 tons in October. In November, 1940, production averaged 1,507,950 tons, a peak at that time. November total output was 6,969,987, compared with an October production of 7,242,683 tons. In eleven months ingot production was 75,763,558 tons 25% greater than during the same period in 1940 and 50% over the entire year 1917, which was the peak of the first World War.

Steel and iron imports in September totaled 4,230 gross tons with 4,259 tons of scrap. This compares with 1,975 tons of steel products and 16,405 tons of scrap in August. In September, 1940, 2,542 tons of steel products were imported, with 56 tons of scrap.

All records were broken in Lake Superior iron ore movement the season total being 80,116,360 gross tons, 25.75% above the 1940 total of 63,712,982 tons. The former season record was in 1929 when 65,204,600 tons were moved. December shipments were 835,081 tons, compared with 14,547 tons in December, 1940. Last spring Office of Production Management set a goal of 74,600,000 tons for the season.

Composite prices are: Finished steel, $56.73; semifinished steel, $36.00; steelmaking pig iron, $23.05; steelmaking scrap, $19.17.

English Financial Market--Per Cable

The daily closing quotations for securities, &c., at London, as reported by cable, have been as follows the past week:

	Saturday	Monday	Tuesday	Wednesday	Thursday	Friday
Silver, p. oz. d	Closed	23½d	23½d	23½d	23½d	23½d
Gold, p. fine oz.	168s	168s	168s	168s	168s	168s
Consols, 2½%	Closed	£82⅛	£82	£81¾	£81½	£81⅝
British 3½% W. L.	Closed	£104 11/16	£104⅝	£104⅞	£104⅝	£104⅝
British 4% 1960-90	Closed	£114⅝	£114½	£114⅜	£114½	£114½

The price of silver per oz. (in cents) in the United States on the same days has been:

Bar. N. Y. (Foreign)	35⅛	35⅛	35⅛	35⅛	35⅛	35⅛
U. S. Treas. (newly mined)	71.11	71.11	71.11	71.11	71.11	71.11

Oct. Blue Stamp Food Purchases $9,000,000

Blue food stamps added about $9,100,000 worth of farm products to the diets of more than 3,400,000 persons eligible to receive public assistance during the month of October, the Department of Agriculture announced Dec. 9 in its monthly report on the Food Stamp program. The Department said:

During October, families taking part in the Food Stamp program used blue stamps, which increased their expenditures for agricultural commodities approximately 50%, as follows: about 32% for vegetables and potatoes, 25% for cereals, including flour, 22% for eggs and 21% for fruits.

Purchases with blue stamps, representing new outlets for farm products, as estimated by the Surplus Marketing Administration, included about 45,000,000 pounds of potatoes, 46,000,000 pounds of white flour, 6,000,000 dozen eggs and nearly 14,000,000 pounds of fresh apples.

Other blue stamp purchases during the month included over 2,500,000 dozens of fresh oranges, more than 4,200,000 pounds of fresh pears, nearly 2,000,000 pounds of dried prunes and nearly 1,800,000 pounds of raisins.

In addition to purchases of commodities with blue stamps, the Surplus Marketing Administration continued in October to distribute farm products for use in free school lunches and to needy families in areas not served by the Food Stamp program.

Chilean Bondholders Notified Of Rights

Pursuant to Law No. 5580 of Jan. 31, 1935, and subsequent decrees of the Republic of Chile, holders of unstamped dollar bonds with all unmatured and unpaid coupons of the Republic of Chile, Mortgage Bank of Chile, Water Company of Valparaiso, City of Santiago and Chilean Consolidated Municipal Loan are being notified they they are entitled to receive in exchange an equal principal amount of bonds, stamped under the law and decrees, on which the Government of Chile will be sole debtor, together with stamped coupons against which subsequent payments in respect of interest will be made under the law and decrees. The announcement made by the Autonomous Institute for the Amortization of Public Debt also states that if the exchange is made on or before Dec. 31, 1941, the bondholders will also receive $15.39 in cash per $1,000 bond, as payment in respect of interest declared in 1941.

Letters of transmittal, and in the case of dollar bonds of the city of Santiago and the Consolidated Municipal Loan copies of the prospectus, may be obtained from Schroder Trust Co., 46 William Street, New York.

SEC Publishes Vol. 1 Of Judicial Decisions

The SEC announced on Dec. 4 that Volume 1 of "Securities and Exchange Commission Judicial Decisions" has been printed and bound in buckram. The volume is a compilation of court decisions (reported and unreported) in civil and criminal cases involving statutes administered by the Commission from its creation in 1934 to Dec. 31, 1939. It contains, in addition, tables of cases, reprints of statutes, and an index-digest. Official pagination is indicated throughout the text of reported decisions. The volume may be obtained from the Superintendent of Documents, United States Government Printing Office, Washington, D. C., for $2 per copy. The announcement said that copies cannot be obtained from the SEC itself.

Revenue Freight Car Loadings During Week Ended Dec. 6 Amounted To 833,375 Cars

Loading of revenue freight for the week ended Dec. 6, totaled 833,375 cars, the Association of American Railroads announced on Dec. 11. The increase above the corresponding week in 1940 was 94,862 cars or 12.8%, and above the same week in 1939 was 149,402 cars or 21.8%.

Loading of revenue freight for the week of Dec. 6, decreased 32,814 cars or 3.8% below the preceding week.

Miscellaneous freight loading totaled 378,846 cars, a decrease of 9,768 cars below the preceding week, but an increase of 60,007 cars above the corresponding week in 1940.

Loading of merchandise less than carload lot freight totaled 156,420 an increase of 3,917 cars above the preceding week, and an increase of 1,101 cars above the corresponding week in 1940.

Coal loading amounted to 150,518 cars, a decrease of 13,810 cars below the preceding week, but an increase of 2,112 cars above the corresponding week in 1940.

Grain and grain products loading totaled 42,754 cars, an increase of 1,852 cars above the preceding week, and an increase of 7,289 cars above the corresponding week in 1940. In the Western Districts alone, grain and grain products loading for the week of Dec. 6 totaled 26,743 cars, an increase of 1,521 cars above the preceding week, and an increase of 4,950 cars above the corresponding week in 1940.

Live stock loading amounted to 14,631 cars, a decrease of 16 cars below the preceding week, and a decrease of 965 cars below the corresponding week in 1940. In the Western Districts alone, loading of live stock for the week of Dec. 6 totaled 10,988 cars, an increase of 72 cars above the preceding week, but a decrease of 376 cars below the corresponding week in 1940.

Forest products loading totaled 41,005 cars, a decrease of 3,442 cars below the preceding week, but an increase of 1,172 cars above the corresponding week in 1940.

Ore loading amounted to 36,087 cars, a decrease of 11,309 cars below the preceding week but an increase of 23,599 cars above the corresponding week in 1940.

Coke loading amounted to 13,114 cars, a decrease of 238 cars below the preceding week, but an increase of 547 cars above the corresponding week in 1940.

All districts reported increases compared with the corresponding weeks in 1940 and 1939.

	1941	1940	1939
4 Weeks of January	2,740,095	2,557,735	2,288,730
4 Weeks of February	2,824,188	2,488,879	2,282,866
5 Weeks of March	3,817,918	3,123,916	2,976,655
4 Weeks of April	2,793,563	2,495,212	2,225,188
5 Weeks of May	4,160,527	3,351,840	2,926,408
4 Weeks of June	3,510,137	2,896,953	2,563,953
4 Weeks of July	3,413,427	2,822,450	2,532,236
5 Weeks of August	4,464,458	3,717,933	3,387,672
4 Weeks of September	3,539,171	3,135,122	3,102,236
4 Weeks of October	3,657,882	3,269,476	3,355,701
5 Weeks of November	4,317,738	3,780,423	3,708,292
Week of Dec. 6	833,375	738,513	683,973
Total	40,072,479	34,378,452	32,033,910

The following table is a summary of the freight carloadings for the separate railroads and system for the week ended Dec. 6, 1941. During this period 105 roads showed increases when compared with the corresponding week last year.

REVENUE FREIGHT LOADED AND RECEIVED FROM CONNECTIONS
(NUMBER OF CARS)—WEEK ENDED DEC. 6

Railroads	Total Revenue Freight Loaded			Total Loads Received from Connections	
	1941	1940	1939	1941	1940
Eastern District—					
Ann Arbor	631	537	533	1,558	1,346
Bangor & Aroostook	1,497	1,332	1,391	217	183
Boston & Maine	8 618	7,979	7,942	13,081	11,461
Chicago, Indianapolis & Louisville	1,586	1,430	1,574	2,562	2,400
Central Indiana	27	18	23	54	57
Central Vermont	1,363	1,348	1,353	2,688	2,372
Delaware & Hudson	5,513	5,860	4,631	10,821	8,512
Delaware, Lackawanna & Western	8,955	9,161	7,448	8,556	7,771
Detroit & Mackinac	483	387	370	177	117
Detroit, Toledo & Ironton	2,537	2,943	2,771	1,295	1,395
Detroit & Toledo Shore Line	349	459	328	4,526	3,795
Erie	14,315	13,549	12,149	15,883	13,845
Grand Trunk Western	5,897	6,008	4,956	10,320	8,387
Lehigh & Hudson River	227	151	137	2,813	2,093
Lehigh & New England	1,811	1,496	1,292	1,587	1,373
Lehigh Valley	8,221	9,474	8,110	10,119	7,292
Maine Central	3,030	2,917	2,857	2,979	2,235
Monongahela	6,128	3,970	4,608	404	221
Montour	1,746	1,600	1,432	30	34
New York Central Lines	50,277	44,256	40,056	50,293	43,210
N. Y., N. H. & Hartford	12,332	11,214	10,470	15,559	13,769
New York, Ontario & Western	1,017	1,021	906	2,357	2,012
N. Y., Chicago & St. Louis	6,745	5,348	5,865	14,793	12,259
N. Y., Susquehanna & Western	565	420	354	1,196	1,643
Pittsburgh & Lake Erie	8,751	7,403	7,183	7,977	6,235
Pere Marquette	6,804	6,360	6,366	6,924	5,979
Pittsburgh & Shawmut	510	438	518	36	30
Pittsburgh, Shawmut & North	362	387	360	265	196
Pittsburgh & West Virginia	940	648	881	2,402	1,961
Rutland	580	620	628	1,112	965
Wabash	6,207	5,749	5,715	10,973	9,999
Wheeling & Lake Erie	4,625	3,782	3,984	4,568	3,717
Total	172,649	158,265	147,181	208,125	176,864
Allegheny District—					
Akron, Canton & Youngstown	679	577	433	1,044	966
Baltimore & Ohio	39.300	32.290	31,703	21,606	18.722
Bessemer & Lake Erie	5,571	2,375	2,697	1,725	1,963
Buffalo Creek & Gauley	303	246	294	2	5
Cambria & Indiana	1,884	1,700	1,718	15	12
Central R.R. of New Jersey	7,260	6,839	5,067	15,987	13,550
Cornwall	567	601	604	47	70
Cumberland & Pennsylvania	346	287	305	32	44
Ligonier Valley	130	147	121	58	37
Long Island	813	808	563	2,445	2,715
Penn-Reading Seashore Lines	1,666	1,420	1,182	1,699	1.463
Pennsylvania System	83,384	67,977	68.216	51,302	42.812
Reading Co.	15.228	15,927	13,685	24,937	20,152
Union (Pittsburgh)	19,202	19.084	19.120	5,508	2.837
Western Maryland	4,444	3,528	3,697	10,207	7,862
Total	180,777	153,806	149,405	137,614	113,210
Pocahontas District—					
Chesapeake & Ohio	27.615	22.262	21.855	13.294	9 882
Norfolk & Western	23.782	20.454	17,938	6.177	5.335
Virginian	4,623	4.009	4,238	2,252	1,514
Total	56,020	46,725	44,031	21,723	16,731
Southern District—					
Alabama, Tennessee & Northern	356	286	259	310	159
Atl. & W. P.—W. R.R. of Ala.	879	807	828	2,048	1,647
Atlanta, Birmingham & Coast	796	722	646	1,266	1,127
Atlantic Coast Line	11,478	11,781	9,910	7,157	6,247
Central of Georgia	4,411	4,257	3,939	4,626	3,666
Charleston & Western Carolina	451	414	420	1,806	1,386
Clinchfield	1,802	1,395	1,504	2,900	2,570
Columbus & Greenville	281	294	352	362	281
Durham & Southern	183	179	189	516	426
Florida East Coast	952	896	791	1,082	1,144
Gainsville Midland	37	46	35	71	91
Georgia	1,564	1,150	977	2,404	1,821
Georgia & Florida	427	325	351	828	512
Gulf, Mobile & Ohio	4,311	3,595	3,291	3,675	2.863
Illinois Central System	26.958	24,190	21,837	12.893	12,516
Louisville & Nashville	24,104	23,586	20,518	8,575	6,458
Macon, Dublin & Savannah	182	144	153	715	857
Mississippi Central	137	146	167	440	467
Nashville, Chattanooga & St. L.	3,452	3,360	2,774	3,759	3,341
Norfolk Southern	1,350	1,139	1,161	1,427	1,275
Piedmont Northern	554	474	406	1,599	1,399
Richmond Fred. & Potomac	451	374	332	6.806	5.339
Seaboard Air Line	11,453	11,092	9,170	1,175	5,945
Southern System	24,897	23,138	21,441	21,706	16,924
Tennessee Central	577	456	403	744	685
Winston-Salem Southbound	148	147	171	944	853
Total	122,191	114,393	102,025	95,834	79,999
Northwestern District—					
Chicago & North Western	18,427	16,115	14,750	13,997	11.927
Chicago Great Western	2,783	2,816	2,432	3,517	3.479
Chicago, Milw., St. P. & Pac.	22,556	21,776	20,164	9,674	9.015
Chicago, St. P., Minn. & Omaha	4,475	4,414	4,272	4,777	3,784
Duluth, Missabe & Iron Range	12,625	784	874	310	169
Duluth, South Shore & Atlantic	724	584	596	583	434
Elgin, Joliet & Eastern	10,861	9,423	8,717	11,055	8,089
Ft. Dodge, Des Moines & South	568	444	411	176	159
Great Northern	15,620	11,669	10,810	4,198	3,414
Green Bay & Western	530	552	570	753	724
Lake Superior & Ishpeming	706	229	194	72	69
Minneapolis & St. Louis	1.989	1.926	1,829	2,345	2,117
Minn., St. Paul & S. S. M.	6,066	5,384	4.827	3,316	3.007
Northern Pacific	11,813	11,418	9,960	4,097	3,915
Spokane International	82	131	134	339	249
Spokane, Portland & Seattle	2,227	2,157	1,462	2,310	1,799
Total	112,052	89,821	82,002	61,519	52,350
Central Western District—					
Atch. Top. & Santa Fe System	23,745	19.903	19,562	8,487	6,768
Alton	3,322	3,099	2,729	2,812	2,342
Bingham & Garfield	533	470	469	101	92
Chicago, Burlington & Quincy	18,845	18.655	15,736	11,059	5,712
Chicago & Illinois Midland	2.672	2,661	2,656	973	911
Chicago, Rock Island & Pacific	13,038	12,229	11,481	9,311	9.268
Chicago & Eastern Illinois	2,809	2,893	2,544	3,636	2.728
Colorado & Southern	1,183	1,204	670	1,774	1.576
Denver & Rio Grande Western	3.890	3,837	3,263	4,107	3,230
Denver & Salt Lake	682	743	510	11	15
Fort Worth & Denver City	1,573	813	1,056	1,282	1.080
Illinois Terminal	2,033	1,763	1,900	1,695	1,465
Missouri-Illinois	1,165	896	885	499	362
Nevada Northern	2,023	1,863	1,873	135	154
North Western Pacific	869	800	622	412	366
Peoria & Pekin Union	22	25	29	0	0
Southern Pacific (Pacific)	26,717	26,978	23,943	8,142	6 238
Toledo, Peoria & Western	438	347	318	1.756	1.246
Union Pacific System	18.413	17.595	15,238	11,333	10.221
Utah	513	449	390	7	11
Western Pacific	2.142	2.060	1.968	2 988	2.146
Total	126,627	119,283	107,842	70,520	59,932
Southwestern District—					
Burlington-Rock Island	172	160	158	268	238
Gulf Coast Lines	4,037	3,267	3,162	2,245	1,084
International-Great Northern	1,845	1,673	1,542	2,495	2,458
Kansas, Oklahoma & Gulf	314	167	215	936	1,097
Kansas City Southern	2.750	2.379	2.035	3,152	2,080
Louisiana & Arkansas	2,718	2,191	1,818	2,080	1,564
Litchfield & Madison	335	363	393	1,102	913
Midland Valley	670	764	594	237	205
Missouri & Arkansas	210	150	183	497	360
Missouri-Kansas-Texas Lines	4.959	4,470	3,987	3,789	2.885
Missouri Pacific	17,467	16,224	14,808	12,430	10,510
Quanah Acme & Pacific	166	125	106	239	136
St. Louis-San Francisco	9 697	8 896	7,596	6.157	4,828
St. Louis Southwestern	3.487	2.965	2.607	3.678	2.640
Texas & New Orleans	8,592	7,798	7,281	4.394	3.294
Texas & Pacific	5,465	4,473	4,815	5,546	4,137
Wichita Falls & Southern	137	137	145	39	53
Weatherford M. W. & N. W.	34	18	32	35	190
Total	63 059	56 220	51.477	49 319	38.672

Note—Previous year's figures revised.

Nov. Steel Shipments 12.3% Below October

Shipments of finished steel products by subsidiary companies of the United States Steel Corp.. for the month of November, 1941 totaled 1,624,186 net tons. The November shipments compare with 1,851,279 net tons in the preceding month (October) a decrease of 227,093 net tons, and with 1,425,352 net tons in the corresponding month in 1940 (November) an increase of 198,834 net tons.

For the year 1941 to date, shipments were 18,612,901 net tons compared with 13,431,487 net tons in the comparable period of 1940, an increase of 5,181,414 net tons.

Shipments in November, 1941, are an all-time high for that month. Shipments for the eleven-month period of 1941 are also an all-time high.

In the table below we list the figures by months for various periods since January, 1929:

	1941	1940	1939	1938	1932	1929
January	1,682,454	1,145.592	870,866	570.264	464,524	1,364,801
February	1,548,451	1,009,256	747,427	522,395	449,418	1,388,407
March	1,720,366	931,905	845,108	627,047	422,117	1,605,510
April	1,687,674	907,904	771,752	550,551	429,965	1,617,302
May	1,745,295	1,084,057	795,689	509,811	369,882	1,701,874
June	1,668 637	1,209,684	607,562	524,994	355,575	1,529,241
July	1,666,667	1,296,887	745,364	484,611	294,764	1,480,008
August	1,753,665	1,455,604	885,636	615,521	316,417	1,500,281
September	1,664,227	1,392,838	1,086,683	635,645	340,610	1,262,874
October	1,851,279	1,572,408	1,345,855	730,312	336,726	1,333,385
November	1,624,186	1,425.352	1,406.205	749.328	299,076	1,110,050
December	------	1,544,623	1,443,969	765,868	250,008	931,744
Total by mos.	------	14,976,110	11,752,116	7,286,347	4,329,082	16,825,477
Yearly adjust.	------	37,639	*44,865	29,159	*5,237	*12,827
Total	------	15,013,749	11,707,251	7,315,506	4,323,845	16,812,650

*Decrease.

Note—The monthly shipments as currently reported during the year 1940, are subject to adjustments reflecting annual tonnage reconciliations. These will be comprehended in the cumulative yearly shipments as stated in the annual report.

1941 Tobacco Loan And Purchase Program

The United States Department of Agriculture announced on Nov. 27 that the Commodity Credit Corporation will make available a loan and purchase program for the 1941 crops of burley, fire-cured, dark air-cured, sun-cured, Maryland, cigar filler, and binder tobacco. In addition purchases of a maximum of 500,000 pounds of dark fire-cured and dark air-cured tobacco of the 1939 crop, packed to meet the requirements of British manufacturers, are authorized on a cost basis under the program. The Department explained:

Loans will be made to producers, through cooperative associations or other agencies, under conditions specified by Commodity Credit, in accordance with schedules of rate applicable to the respective types. As provided by law, the loan rates wil average 85% of parity. The loans will mature Oct. 1, 1943 and will be payable on demand.

Purchases of tobacco by companies for the account of Commodity Credit Corporation will also be made under the program, in a manner similar to that now in effect for flue-cured tobacco. In return for their net investments, the companies will be given options to repurchase the tobacco at the cost to the Commodity Credit Corporation, plus interest. The options extended until Oct. 1, 1943, unless terminated prior to that date by payment to the companies of the amounts of their net investments in the tobacco

Urges Credit Extension To Farm Families

The most important part commercial bankers operating in rural areas can play in the nation's defense program is the making available to farm families credit needed for the efficient operation of their farms. This advice was given on Dec. 5 to over 200 bankers from all parts of New York State gathered at Ithaca for a two-day Farm Credit School sponsored by the New York State Bankers Association in cooperation with the New York State College of Agriculture.

"The production of adequate food supply requires the efficient operation of our farms and the extension of a large amount of credit to individual farmers," Burr P. Cleveland, President, First National Bank of Cortland, stated in an address. "The $1,000 loan made to an individual farmer may be just as big a deal to him as the $1,000,000 loan to a company that is making bombing planes—1,000 such loans add up to $1,000,000. When the need for loans for bombing planes, guns, tanks and battleships is over, when the scorched earth of today's battlefields shall again give forth the green things that God intended, there will still be a need for agricultural credit for the rehabilitation of the world."

Drawing on experience with 20,000 long-term mortgage loans made to New York State farmers in the past 25 years, Edward H. Thomson, President, Springfield (Mass.) Land Bank, stated that "character and ability of the farmer himself are as important as any other factor in determining success or failure in northeastern farming." Comparing agriculture to other types of business enterprise, Mr. Thomson said that farming will show up over a period of years to be among the best of risks. "Farming is basically a stable industry," he stated, "and New York State farmers are firmly implanted on their farms and are backed by long years of experience, coupled with thrift and integrity."

Dr. William I. Myers, head of the Department of Agricultural

Economics and Farm Management, New York State College of Agriculture, also addressing the meeting Dec. 5, declared that present retail food prices are not high, being still more than 10% below the 1926 level, and the criticism of consumers to present food costs is based upon memories of the abnormally low food prices. Dr. Myers said that during the 30's city people became accustomed to food prices that were too low for national welfare and too low to be maintained. He also warned New York State farmers and bankers to be on the lookout for "overenthusiasm" in land values, adding:

> Good farms are still cheap, but the ingredients of a land boom are present. Farm prices and incomes are rising. Government subsidies in AAA payments are continuing at the high levels of the depression. Farm mortgage interest rates are the lowest in history, and are reduced to still lower levels by direct Government subsidies to Federal Land Bank borrowers. The result of these inflationary forces is inevitable as the memories of the depression grow dim.

Dr. Myers stated that a "reasonable" recovery in land values is desirable, but he warned that "no one gains from a land boom in the long run, and steps should now be taken to reduce that danger."

Supply Position Of Eastern Cane Sugar Refiners Reported

A second report on the supply and shipping position of eastern cane sugar refiners for the remainder of 1941 was made public Dec. 5 by the Department of Agriculture. Statistics contained in the report and prepared by the Sugar Division of the Agricultural Adjustment Administration, show that the quantity of offshore sugar the refiners south of Cape Hatteras had on hand on Nov. 1, their receipts of sugar between that time and Nov. 22, and their sugars afloat or for which vessels had been chartered as of Nov. 22, amounted to 154,957 short tons, raw value. This supply, together with the estimated 275,000 tons of mainland cane sugar from the 1941 crop which will be available for melting by these refiners during the balance of the year, totals 429,957 tons, as compared with their meltings of 219,792 tons during the last two months of 1940. The report notes:

> The comparable 1941 figures on stocks, afloats, and charterings of offshore sugar of the refiners north of Cape Hatteras totaled 533,313 tons. The meltings of these refiners in the November-December, 1940, period amounted to 468,711 tons. Therefore, the raw sugar supplies of all eastern refiners for the 1941 period under discussion amounted to 963,270 tons as compared with total meltings of 688,503 tons during the last two months of 1940. Distribution by these refiners during November and December, 1940, totaled 748,430 tons.
>
> These figures do not include the raw sugar stocks of firms refining sugar for their own use in manufactured articles or balances of quota sugars to be chartered. In addition to the raw sugar supplies, eastern refiners had about 155,000 tons of refined sugar on hand on Nov. 1 while eastern importers of direct consumption sugar had approximately 79,000 tons of quota sugar on the same date. Moreover, continental cans mills normally market about 35,000 tons of direct-consumption sugar during the last two months of the year.

World Prices Steady

General Motors Corp. and Cornell University, which prior to the European war had collaborated in the publication of a world commodity price index, have resumed issuance of international price statistics, but on a different basis than before the war. Instead of a composite index of world prices, these organizations now are publishing the information only as individual country indexes.

The index is built upon 40 basic commodities and the list is the same for each country in so far as possible. Each commodity is weighted uniformly for each country, according to its relative importance in world production. The actual price data are collected weekly by General Motors overseas operations from sources described as "the most responsible agencies available in each country, usually a government department." The commodities involved include "a comprehensive list of several groups, including grains, livestock and livestock products, miscellaneous foods (coffee, cocoa, tea, sugar, &c.), textiles, fuels, metals and a list of other miscellaneous materials (rubber, hides, lumber, newsprint, linseed oil, &c.)." Weights assigned in the index to the different commodity groups are as follows: Grains, 20; livestock and livestock products, 19; vegetable fats and other foods, 9; textiles, 12; fuel, 11; metals, 11; miscellaneous, 18.

The indexes, which are based on prices expressed in the currency of each country, were reported Dec. 15 as follows:

(August, 1939=100)

	Argentina	Australia	Canada	England	Java	Mexico	New Zeal'd	Sweden	Switzerland	United States
1940—										
May	120	118	120	143	116	113	112	131	132	112
June	118	118	120	144	116	113	114	131	136	109
July	118	118	120	145	115	112	114	132	140	109
August	118	119	120	150	115	111	120	132	144	109
September	116	120	121	145	116	110	122	135	153	111
October	113	123	122	145	117	110	120	139	158	114
November	113	125	124	146	118	111	118	142	164	118
December	113	126	126	149	120	111	119	144	168	118
1941—										
January	114	127	126	150	r120	111	119	144	r172	120
February	114	126	127	150	121	113	119	147	171	120
March	119	122	129	150	123	114	119	154	176	122
April	121	121	131	150	125	115	119	156	180	125
May	126	120	134	r152	129	117	120	156	189	129
June	133	121	137	155	131	119	121	155	193	132
July	r135	r121	r141	r156	r136	r125	r122	r155	194	r136
August	138	121	r142	157	138	127	123	156	196	138
September	r140	122	145	r157	138	r130	r123	156	203	143
October	140	123	143	r158	139	132	126	156	207	r140
November	141	124	143	158	141	133	124	157	209	141
1941— Weeks end.:										
Nov. 1	r140	124	142	158	140	r133	126	157	208	140
Nov. 8	140	124	142	158	140	r133	125	157	209	r139
Nov. 15	140	124	142	*157	141	133	124	157	209	r141
Nov. 22	142	124	143	*157	141	133	124	157	209	141
Nov. 29	142	123	143	*158	*141	132	124	157	209	r141
Dec. 6	141	122	143	*158	---	137	124	157	209	142

* Preliminary. r Revised

Bank Debits Up 19% From Last Year

Bank debits as reported by banks in leading centers for the week ended Dec. 10 aggregated $10,914,000,000. Total debits during the 13 weeks ended Dec. 10 amounted to $144,395,000,000, or 24% above the total reported for the corresponding period a year ago. At banks in New York City there was an increase of 20% compared with the corresponding period a year ago, and at the other reporting centers there was an increase of 27%.

SUMMARY BY FEDERAL RESERVE DISTRICTS

(In millions of dollars)

Federal Reserve District	Week Ended Dec. 10, 1941	Week Ended Dec. 11, 1940	13 Weeks Ended Dec. 10, 1941	13 Weeks Ended Dec. 11, 1940
Boston	610	668	8,073	6,933
New York	4,421	3,825	57,849	48,265
Philadelphia	597	490	7,621	6,040
Cleveland	764	602	10,480	8,086
Richmond	437	353	5,894	4,533
Atlanta	366	291	4,775	3,648
Chicago	1,609	1,282	21,614	17,118
St. Louis	373	305	4,913	3,656
Minneapolis	220	170	2,851	2,197
Kansas City	325	260	4,501	3,546
Dallas	281	215	3,871	2,909
San Francisco	910	729	11,952	9,451
Total, 274 reporting centers	10,914	9,190	144.395	116,412
New York City*	4,060	3,538	52,875	44,149
140 Other leading centers*	5,888	4,883	78,939	62,345
133 Other centers	966	768	12,582	9,918

* Included in the national series covering 141 centers, available beginning with 1919.

Preliminary Estimate Of Nov. Coal Production

According to preliminary estimates made by the Bureau of Mines and the Bituminous Coal Division of the United States Department of Interior, bituminous coal output during the month of November, 1941, amounted to 42,865,000 net tons, compared with 40,012,000 net tons in the corresponding month last year and 49,800,000 net tons in October, 1941. Anthracite production during November, 1941, totaled 3,832,000 net tons, as against 3,980,000 net tons in the same month a year ago and 5,380,000 net tons in October, 1941. The consolidated statement of the two aforementioned organizations follows:

	Total for Month (Net Tons)	Number of Working Days	Average per Working Day (Net Tons)	Cal. Year to End of November (Net Tons)
November, 1941 (Preliminary)—				
Bituminous coal a	42,865,000	23.6	1,816,000	454,473,000
Anthracite b	3,832,000	---	--------	50,233,000
Beehive coke	532,000	---	--------	5,702,000
October, 1941 (Revised)—				
Bituminous coal a	49,800,000	27	1,844,000	--------
Anthracite b	5,380,000	---	--------	--------
Beehive coke	612,800	---	--------	--------
November, 1940 (Revised)—				
Bituminous coal a	40,012,000	24	1,667,000	411,845,000
Anthracite b	3,980,000	---	--------	46,651,000
Beehive coke	416,800	---	--------	2,567,700

a Includes for purposes of historical comparison and statistical convenience the production of lignite.

b Total production, including colliery fuel, washery and dredge coal and coal shipped by truck from authorized operations.

Note—All current estimates will later be adjusted to agree with the results of the complete canvass of production made at the end of the calendar year.

Fertilizer Assn. Price Average Rises

The general level of wholesale commodity prices was moderately higher last week, according to the price index compiled by The National Fertilizer Association and issued Dec. 15. This index, in the week ended Dec. 13 rose to 119.1, the highest point recorded since February, 1930, from 117.2 in the preceding week. The index was 116.5 a month ago and 98.8 a year ago, based on the 1935-1939 average as 100.

The food index continued its uptrend, rising to the highest level recorded since 1929, with 19 items included in the group advancing and only 1 declining. The farm product index soared upward as grains, livestock, eggs, and hay increased in price during the week; a slight decline in the price of raw cotton had very little effect on the group index. Increased prices for cottonseed meal, and cattle feed pushed the index of miscellaneous commodities upward. The textile price average registered a fractional advance. The only other group index to change during the week was the fuel price average which declined somewhat due to lower bunker oil quotations.

During the week advances in price series included in the index outnumbered declines 39 to 3; in the preceding week there were 31 advances and 10 declines; in the second preceding week there were 25 advances and 15 declines.

WEEKLY WHOLESALE COMMODITY PRICE INDEX

Compiled by The National Fertilizer Association

1935-1939=100*

% Each Group Bears to the Total Index	GROUP	Latest Week Dec. 13, 1941	Preceding Week Dec. 6, 1941	Month Ago Nov. 8, 1941	Year Ago Dec. 14, 1940
25.3	Foods	116.6	113.1	113.5	91.3
	Fats and Oils	129.0	124.4	122.7	68.9
	Cottonseed Oil	156.0	149.3	143.6	66.1
23.0	Farm Products	124.4	119.2	116.4	89.6
	Cotton	163.1	163.4	153.8	91.5
	Grains	117.0	109.2	107.7	85.0
	Livestock	118.4	112.5	110.5	88.6
17.3	Fuels	111.9	113.3	112.3	101.1
10.8	Miscellaneous Commodities	126.9	126.2	126.0	110.6
8.2	Textiles	140.8	140.7	138.6	111.5
7.1	Metals	104.0	104.0	104.0	103.0
6.1	Building Materials	131.2	131.2	131.3	118.5
1.3	Chemicals and Drugs	112.0	112.0	112.3	103.8
.3	Fertilizer Materials	114.9	114.8	114.6	104.3
.3	Fertilizers	109.8	109.8	107.5	103.0
.3	Farm Machinery	100.7	100.7	100.2	99.6
100.0	All Groups Combined	119.1	117.2	116.5	98.8

*Base period changed Jan. 4 from 1926-1928 average to 1935-1939 average as 100. Indexes on 1926-1928 base were: Dec. 13, 1941, 92.8; Dec. 6, 1941, 91.3; Dec. 14, 1940, 77.0.

Electric Output For Week Ended Dec. 13, 1941 Shows 14.2% Gain Over Same Week Last Year

The Edison Electric Institute, in its current weekly report, estimated that the production of electricity by the electric light and power industry of the United States for the week ended Dec. 13, 1941, was 3,431,328,000 kwh. The current week's output is 14.2% above the output of the corresponding week of 1940 when production totaled 3,003,543,000 kwh. The output for the week ended Dec. 6, 1941 was estimated to be 3,368,870,000 kwh., an increase of 13.2% over the corresponding week a year ago.

PERCENTAGE INCREASE OVER PREVIOUS YEAR

Major Geographic Regions	Week Ended Dec. 13, '41	Week Ended Dec. 6, '41	Week Ended Nov. 29, '41	Week Ended Nov. 22, '41
New England	19.6	18.2	23.2	9.5
Middle Atlantic	13.3	10.6	9.9	11.2
Central Industrial	16.0	14.3	13.2	14.5
West Central	12.7	11.9	12.8	14.8
Southern States	14.9	13.8	9.3	13.0
Rocky Mountain	17.5	18.7	16.3	17.4
Pacific Coast	*6.8	*9.8	*12.2	*10.5
Total United States	14.2	13.2	12.3	12.9

*Percentage should be higher; data under revision.

DATA FOR RECENT WEEKS (Thousands of Kilowatt-Hours)

Week Ended	1941	1940	Percent Change 1941 from 1940	1939	1938	1937
July 5	2,866,865	2,425,229	+18.2	2,145,033	1,937,486	2,139,281
July 12	3,141,158	2,651,626	+18.5	2,402,893	2,154,099	2,358,438
July 19	3,162,586	2,681,071	+18.0	2,377,902	2,152,779	2,321,531
July 26	3,183,925	2,760.935	+15.3	2,426,631	2,159,667	2,312,104
Aug. 2	3,226,141	2,762,240	+16.8	2,399,805	2,193,750	2,341,103
Aug. 9	3,196,009	2,743,284	+16.5	2,413,600	2,198,266	2,360,960
Aug. 16	3,200,918	2,745,697	+16.6	2,453,556	2,206,560	2,365,859
Aug. 23	3,193,404	2,714.193	+17.7	2,434,101	2,202,454	2,351,233
Aug. 30	3,223,609	2,736,224	+17.8	2,442,021	2,216,648	2,380,301
Sept 6	3,095,746	2,591,957	+19.4	2,375,852	2,109,985	2,211,398
Sept 13	3,281,290	2,773,177	+18.3	2,532,014	2,279,233	2,338,370
Sept 20	3,232,192	2,769,346	+16.7	2,538,118	2,211,059	2,231,277
Sept 27	3,233,278	2,816,358	+14.8	2,558,538	2,207,942	2,331,415
Oct. 4	3,289,692	2,792,067	+17.8	2,554,290	2,228,586	2,339,384
Oct. 11	3,314,952	2,817,465	+17.7	2,583,366	2,251,089	2,324,750
Oct. 18	3,273,184	2,837,730	+15.3	2,576,331	2,281,328	2,327,212
Oct. 25	3,299,120	2,866,827	+15.1	2,622,267	2,283,831	2,297,785
Nov. 1	3,338,538	2,882,137	+15.8	2,608,664	2,270,534	2,245,449
Nov. 8	3,325,574	2,858,054	+16.4	2,588,618	2,276,904	2,214,337
Nov. 15	3,304,464	2,889,937	+14.3	2,587,113	2,325,273	2,263,679
Nov. 22	3,205,034	2,839,421	+12.9	2,560,962	2,247,712	2,104,579
Nov. 29	3,293,415	2,931,877	+12.3	2,605,274	2,334,690	2,179,411
Dec. 6	3,368,870	2,975,704	+13.2	2,654,395	2,376,541	2,234,135
Dec. 13	3,431,328	3,003,543	+14.2	2,694,194	2,390,388	2,241,972

DATA FOR RECENT MONTHS (Thousands of Kilowatt-Hours)

	1941	1940	Percent Change 1941 from 1940	1939	1938	1937
January	13,149,116	11,683,430	+12.5	10,183,400	9,290,754	9,787,901
February	11,831,119	10,589,428	+11.7	9,256,313	8,396,231	8,911,125
March	12,882,642	10,974,335	+17.4	10,121,459	9,110,808	9,886,443
April	12,449,229	10,705,682	+16.3	9,525,317	8,607,031	9,573,698
May	13,218,633	11,118,543	+18.9	9,868,962	8,750,840	9,665,137
June	13,231,219	11,026,943	+20.0	10,068,845	8,832,736	9,773,908
July	13,836,992	11,616,238	+19.1	10,185,255	9,170,375	10,036,410
August	14,118,619	11,924,381	+18.4	10,785,902	9,801,770	10,308,884
September	13,901,644	11,484,529	+21.0	10,653,197	9,486,866	9,908,314
October	---------	12,474,727	---	11,289,617	9,844,519	10,065,805
November	---------	12,213,543	---	11,087,866	9,893,195	9,506,495
December	---------	12,842,218	---	11,476,294	10,372,602	9,717,471
Total for yr.		138,653,997		124,502,309	111,557,727	117,141,591

Daily Average Crude Oil Production for Week Ended Dec. 13, 1941 Up 1,600 Barrels

The American Petroleum Institute estimates that the daily average oil production for the week ended Dec. 13, 1941 was 4,109,550 barrels. This was an increase of 1,600 barrels over the output of the preceding week and the current week's figure was below the 4,139,000 barrels calculated by the U. S. Department of the Interior to be the total of restrictions imposed by the various oil-producing States during December. Daily average production for the four weeks ended Dec. 13, 1941 is estimated at 4,160,250 barrels. The daily average output for the week ended Dec. 14, 1940 totald 3,578,950 barrels. Further details as reported by the institute follow:

Reports received from refining companies owning 86.7% of the 4,622,000 barrel estimated daily potential refining capacity of the United States, indicate that the industry as a whole ran to stills, on a Bureau of Mines' basis, 3,997,000 barrels of crude oil daily during the week, and that all companies had in storage at refineries, bulk terminals, in transit and in pipe lines as of the end of the week, 87,422,000 barrels of finished and unfinished gasoline. The total amount of gasoline produced by all companies is estimated to have been 13,610,000 barrels during the week.

DAILY AVERAGE CRUDE OIL PRODUCTION (FIGURES IN BARRELS)

	aB. of M. Calculated Requirements (December)	State Allowables	—Actual Production— Week Ended Dec. 13 1941	Change From Previous Week	4 Weeks Ended Dec. 13 1941	Week Ended Dec. 14 1940
Oklahoma	460.000	428,000	b410,100	— 6,450	419,750	384,250
Kansas	260,700	264,000	b255,950	+ 15,250	250,000	199,050
Nebraska	6,100	------	b5,150	— 700	5,650	3,000
Panhandle Texas			87,800	— 11,350	91,750	76,550
North Texas			107,800	— 50	109,550	106,750
West Central Texas			31,300	+ 100	31,700	31,150
West Texas			290,800	+ 1,500	299,800	218,250
East Central Texas			84,300	— 2,350	86,900	81,500
East Texas			369,250	— 50	386,600	375,050
Southwest Texas			215,650	— 1,000	225,150	199,050
Coastal Texas			292,000	— 50	303,100	243,350
Total Texas	1,479,700	c1,555,192	1,478,900	— 13,250	1,534,550	1,331,650
North Louisiana			81,700	+ 200	81,700	68,750
Coastal Louisiana			276,000	— 2,250	271,800	218.800
Total Louisiana	340,000	354,705	357,700	— 2,050	353,500	287,550
Arkansas	76,500	75,297	73,600	— 350	73,750	68,700
Mississippi	60,300		b75,600	+ 900	75,950	13,350
Illinois	426,500		386,650	— 11,950	397,650	325,400
Indiana	19,700		b18,650	— 1,450	18,800	19,800
Eastern (not incl. Ill and Ind.)	96,900		94,550	+ 1,250	94,800	93,850
Michigan	52,300		56,900	+ 3,750	56,150	42,450
Wyoming	81,900		86,100	+ 550	84,300	68,350
Montana	20,700		22,600	+ 1,150	21,700	18,150
Colorado	5,800		5,050	— 400	5,300	3,500
New Mexico	116,100	117,000	117,750	— 50	117,700	101,400
Total East of Calif.	3,503,200		3,445,250	— 13,800	3,509,550	2,960,450
California	635,800	d613,200	664,300	+ 15,400	650,700	618,500
Total United States	4,139,000		4,109,550	+ 1,600	4,160,250	3,578,950

aThese are Bureau of Mines' calculations of the requirements of domestic crude oil based upon certain premises outlined in its detailed forecast for the month of December. As requirements may be supplied either from stocks, or from new production, contemplated withdrawals from crude oil inventories must be deducted from the Bureau's estimated requirements to determine the amount of new crude to be produced.

bOkla., Kans., Neb., Miss., Ind. figures are for week ended 7 a. m. Dec. 10.

cThis is the net basic 31-day allowable as of Dec. 1, but experience indicates that it will increase as new wells are completed, and if any upward revisions are made. With a few exceptions the entire State was ordered shut down on Dec. 6, 7, 13, 14, 21, 25, 28 and 30.

dRecommendation of Conservation Committee of California Oil Producers.

NOTE:—The figures indicated above do not include any estimate of any oil which might have been surreptitiously produced.

CRUDE RUNS TO STILLS; PRODUCTION OF GASOLINE; STOCKS OF FINISHED AND UNFINISHED GASOLINE AND GAS AND FUEL OIL, WEEK ENDED DEC. 13, 1941

(Figures in Thousands of Barrels of 42 Gallons Each)

District	Daily Refining Capacity: Potential Rate	Daily Refining Capacity: P. C. Reporting	Crude Runs to Stills: Daily Aver.	Crude Runs to Stills: P. C. Operated	Gasoline Produc'n at Refineries Incl. Natural Blended	Stocks Finished & Unfinished Gasoline	e Stocks of Gas Oil and Distillates	e Stocks of Residual Fuel Oil	f Stocks Aviation Gasoline
East Coast	704	100.0	624	88.6	1,836	19,675	21,146	12,809	E. Coast
Appalachian	168	83.9	129	91.5	475	3,365	626	428	587
Ind., Ill., Ky.	765	84.7	617	95.2	2.430	15,802	5,433	4,258	Interior
Okla., Kans., Mo.	413	80.7	283	85.0	1,096	8,011	1,869	2,103	1,497
Inland Texas	265	63.4	147	87.5	636	2,413	464	1,242	
Texas Gulf	1,117	91.2	985	96.7	3,423	13,167	6,920	8,153	G. Coast
Louisiana Gulf	172	95.3	167	101.8	513	2,619	1,636	2,348	2,669
No. La. & Arkansas	95	49.9	50	106.4	156	478	313	339	
Rocky Mountain	136	50.1	44	64.7	174	1,161	134	322	Calif.
California	787	90.9	566	79.2	1,511	15,331	12,693	62,585	2,127
Reported		86.7	3,612	90.1	12,250	82,022	51,234	94,587	6,880
Est. unreported			385		1,360	5,400	1,575	1,175	400
aEst. Total U. S. Dec. 13, 1941	4,622		3,997		13,610	b87,422	52,809	95,762	7,280
aEst. Total U. S. Dec. 6, 1941	4,567		3,945		13.610	b87,422	52,809	95,762	7,280
U. S. B. of Mines aDec. 14, 1940			3,942		11,301	80,769	44,598	102,517	6,332

a Estimated Bureau of Mines' basis. b Finished, 79,388,000 bbl.; unfinished, 8,034,000 bbl. e At refineries, bulk terminals, in transit and pipe lines. f Included finished and unfinished gasoline total.

Bonds In Moderate Recovery

Since last Wednesday there has been a general recovery in bond prices. High-grade corporates and Treasury bonds have regained perhaps a fourth of the loss experienced upon the advent of war, with lower-grade corporates lagging in the recovery.

High-grade railroad bonds have acted better this week and prices have been fractionally higher. Kansas City Terminal 4s, 1960, gained ¼ at 109. Medium-grade rail bonds have been higher while speculative rail issues in good trading volume scored advances. Among the latter Southern Pacific 4½s, 1981, advanced 2 to 45½. New York Central 4½s, 2013, at 43⅞ were up 1⅜. Through the Association of American Railroads, Class 1 roads petitioned the ICC to grant increased passenger and freight rates to enable them to meet the higher costs resulting from the recently awarded wage increase.

The utility bond market has partially recovered from last week's falling prices reflecting early uncertainty over war developments. High grades have gained fractions over prices of a week ago, Brooklyn Edison 3¼s, 1966, advancing ¾ to 108¾ and Southwestern Bell Telephone 3s, 1968, gaining 1¼ at 106⅜. Advances among speculatives assumed larger proportions. Laclede Gas 5½s, 1953, at 79⅞ were up 5⅞. Cities Service 5s, 1958, advanced 4¾ to 83¾ and Standard Gas & Electric 6s, 1957, recovered 3 points to 74½.

Group movements among industrial bonds have been much more pronounced this week than for some time in the past. Thus, paper, sugar, textile, coal and oil bonds gained, with steel company bonds showing mixed changes, although gains have been predominant. The best gains in the oil group have been made by such high grades as Phillips Petroleum 1¾s, 1951, Socony-Vacuum 3s, 1964, and Texas Corporation 3s, 1965, the foregoing gaining 1 to 2¾ points; other gains registered by oil bonds have been fractional. Tobacco company bonds have been mixed, with the Liggett & Myers 7s, 1944, gaining fractionally whereas the Lorillard 5s, 1951, lost 3½ points at 122. Among machinery and machine tool bonds, issues such as the Allis Chalmers 4s, 1952, and R. Hoe 4½s, 1944, gained one or more points while others in the group have been steady.

After their sharp break, foreign issues developed some rallying strength but for the most part prices have remained below last week's closing levels. Canadian loans have been comparatively steady with losses limited to one point and less; better-grade Latin-American issues such as Argentine 4s were over a point lower while declines in Buenos Aires issues extended to several points. Panama 3¼s, 1994, were ¼ lower at 59¾ and Cuba 4½s, 1977, gained ½ point at 73½. Among Brazilian bonds the Sao Paulo Coffee 7s, 1940, suffered a loss of 2⅛ points at 55⅜. Denmark 6s and Norwegian long terms showed the most impressive rally in late dealings.

Moody's computed bond prices and bond yield averages are given in the following tables:

MOODY'S BOND PRICES†
(Based on Average Yields)

1941 Daily Averages	U. S. Govt. Bonds	Avge. Corporate *	Corporate by Ratings * Aaa	Aa	A	Baa	Corporate by Groups * R. R.	P. U.	Indus
Dec. 16	118.16	106.56	117.00	114.08	107.98	90.34	96.07	110.70	114.27
15	118.09	106.56	117.00	114.08	107.98	90.06	96.07	110.52	114.08
13	118.13	106.39	116.80	113.70	107.98	90.06	95.92	110.52	113.89
12	118.18	106.21	116.80	113.70	107.80	89.78	95.77	110.52	113.70
11	117.71	106.21	116.61	113.31	107.98	90.06	95.92	110.52	113.50
10	117.70	106.21	116.61	113.31	107.80	89.78	95.77	110.52	113.31
9	118.17	106.39	116.80	113.50	108.16	89.78	95.92	110.88	113.31
8	118.69	107.44	117.80	114.85	109.06	90.91	96.85	111.81	114.86
6	119.59	108.16	118.40	115.43	109.60	91.77	97.31	112.19	115.82
5	119.62	108.16	118.40	115.43	109.60	91.91	97.47	112.19	116.02
4	119.56	108.16	118.60	115.43	109.60	91.91	97.47	112.37	116.02
3	119.58	108.16	118.60	115.43	109.60	91.91	97.47	112.37	116.02
2	119.59	108.16	118.60	115.63	109.60	91.91	97.31	112.37	116.02
1	119.65	108.16	118.40	115.43	109.60	91.91	97.31	112.37	116.02
Nov. 28	119.77	108.16	118.60	115.63	109.60	91.62	97.16	112.37	116.02
21	119.96	108.16	118.60	115.82	109.60	91.77	97.47	112.37	116.02
14	119.98	108.16	118.60	115.82	109.42	91.77	97.31	112.37	116.02
7	120.04	108.34	118.60	116.02	109.60	92.20	97.78	112.37	116.22
Oct. 31	120.03	108.16	118.40	115.82	109.42	92.06	97.47	112.19	116.02
24	119.43	108.16	118.40	115.63	109.42	92.06	97.47	112.19	116.02
17	119.23	107.98	118.40	115.43	109.06	91.77	97.00	112.00	116.02
10	119.16	107.98	118.20	115.24	109.06	91.91	97.16	112.00	116.02
3	119.21	107.98	118.40	115.43	109.06	91.77	97.00	112.00	116.02
Sept 24	118.95	107.44	118.00	114.85	108.70	91.19	96.69	111.81	115.43
17	118.82	107.62	118.20	114.66	108.70	91.48	96.69	111.62	115.43
12	119.02	107.62	118.00	114.66	108.70	91.62	97.00	111.81	115.24
5	119.13	107.80	118.20	114.85	108.88	95.06	97.31	112.00	115.24
Aug. 29	119.14	107.80	118.40	114.85	108.88	91.77	97.16	111.81	115.43
July 25	119.55	107.80	118.00	115.24	108.52	92.06	97.47	112.00	115.04
June 27	119.45	107.44	118.00	114.66	107.80	91.77	97.16	114.44	114.66
May 29	118.71	106.39	116.61	113.31	107.09	91.05	96.69	110.70	112.75
Apr. 25	118.62	106.21	116.61	112.75	106.56	91.19	96.69	110.34	112.19
Mar. 28	117.80	105.86	116.41	112.19	106.04	91.05	96.54	109.79	111.81
Feb. 28	116.93	105.86	117.20	112.93	106.21	89.78	95.92	109.79	112.75
Jan. 31	117.14	106.39	118.00	113.70	106.39	90.48	96.85	109.79	113.70
High 1941	120.05	108.52	118.60	116.02	109.60	92.50	97.78	112.56	116.41
Low 1941	115.89	105.52	116.22	112.00	106.04	89.23	95.62	109.42	111.62
High 1940	119.63	106.74	119.00	115.04	106.74	89.92	96.07	110.88	114.85
Low 1940	113.02	99.04	112.19	109.60	99.52	79.37	86.38	105.52	106.56
1 Year ago Dec. 16, 1940	119.60	106.56	118.80	114.66	106.74	89.64	95.92	110.70	114.66
2 Years ago Dec. 16, 1939	115.10	100.98	114.27	110.52	100.00	83.28	89.23	106.04	109.24

MOODY'S BOND YIELD AVERAGES†
(Based on Individual Closing Prices)

1941 Daily Average	Avge. Corporate	Corporate by Ratings Aaa	Aa	A	Baa	Corporate by Groups R. R.	P. U.	Indus
Dec. 16	3.36	2.80	2.95	3.28	4.39	4.00	3.13	2.94
15	3.36	2.80	2.95	3.28	4.41	4.00	3.14	2.95
13	3.37	2.81	2.97	3.28	4.41	4.01	3.14	2.96
12	3.38	2.81	2.97	3.29	4.43	4.02	3.14	2.97
11	3.38	2.82	2.99	3.28	4.41	4.01	3.14	2.98
10	3.38	2.82	2.99	3.29	4.43	4.02	3.14	2.99
9	3.37	2.81	2.98	3.27	4.43	4.01	3.12	2.99
8	3.31	2.76	2.91	3.22	4.35	3.95	3.07	2.91
6	3.27	2.73	2.88	3.19	4.29	3.92	3.05	2.86
5	3.27	2.73	2.88	3.19	4.28	3.91	3.05	2.85
4	3.27	2.72	2.88	3.19	4.28	3.91	3.04	2.85
3	3.27	2.72	2.88	3.19	4.28	3.91	3.04	2.85
2	3.27	2.72	2.87	3.19	4.28	3.92	3.04	2.85
1	3.27	2.73	2.88	3.19	4.28	3.92	3.04	2.85
Nov. 28	3.27	2.72	2.87	3.19	4.30	3.93	3.04	2.85
21	3.27	2.72	2.86	3.19	4.29	3.91	3.04	2.85
14	3.27	2.72	2.86	3.20	4.29	3.92	3.04	2.85
7	3.26	2.72	2.85	3.19	4.26	3.89	3.04	2.84
Oct. 31	3.27	2.73	2.86	3.20	4.27	3.91	3.05	2.85
24	3.27	2.73	2.87	3.20	4.27	3.91	3.05	2.85
17	3.28	2.73	2.88	3.22	4.29	3.94	3.06	2.85
10	3.28	2.74	2.89	3.22	4.28	3.93	3.06	2.85
3	3.28	2.73	2.88	3.22	4.29	3.94	3.06	2.85
Sept 24	3.31	2.75	2.91	3.24	4.33	3.96	3.07	2.88
17	3.30	2.74	2.92	3.24	4.31	3.96	3.08	2.88
12	3.30	2.75	2.92	3.24	4.30	3.94	3.07	2.88
5	3.29	2.74	2.91	3.23	4.27	3.92	3.06	2.89
Aug. 29	3.29	2.73	2.91	3.23	4.29	3.93	3.06	2.88
July 25	3.29	2.75	2.89	3.25	4.27	3.91	3.06	2.90
June 27	3.31	2.75	2.92	3.29	4.29	3.93	3.09	2.92
May 29	3.37	2.82	2.99	3.33	4.34	3.96	3.13	3.02
Apr. 25	3.38	2.82	3.02	3.36	4.33	3.96	3.15	3.05
Mar. 28	3.40	2.83	3.05	3.39	4.34	3.97	3.18	3.07
Feb. 28	3.40	2.79	3.01	3.38	4.43	4.01	3.18	3.02
Jan. 31	3.37	2.75	2.97	3.37	4.37	3.95	3.18	2.97
High 1941	3.42	2.84	3.06	3.39	4.47	4.03	3.20	3.08
Low 1941	3.25	2.72	2.85	3.19	4.24	3.89	3.03	2.83
High 1940	3.81	3.06	3.19	3.78	5.24	4.68	3.42	3.36
Low 1940	3.35	2.70	2.90	3.35	4.42	4.00	3.12	2.91
1 Year ago Dec. 16, 1940	3.36	2.71	2.92	3.35	4.44	4.01	3.13	2.92
2 Years ago Dec. 16, 1939	3.69	2.94	3.14	3.75	4.92	4.47	3.39	3.21

* These prices are computed from average yields on the basis of one "typical" bond (3¾% coupon, maturing in 25 years) and do not purport to show either the average level or the average movement of actual price quotations. They merely serve to illustrate in a more comprehensive way the relative levels and the relative movement of yield averages, the latter being the true picture of the bond market.

† The latest complete list of bonds used in computing these indexes was published in the issue of Oct. 2, 1941, page 409.

Lower Canadian Beet Sugar Output Expected

Canadian beet sugar production from the 1941 crop is estimated at approximately 100,000 short tons of refined, according to the reports received by B. W. Dyer & Co., New York,, sugar economists and brokers. This is based on 710,000 tons suger beet production and a yield of 14%.

In 1940, sugar beet production was 825,100 short tons. With a low yield of 12.9%, refined beet sugar production totaled 106,801 tons. This was the largest production in Canada on record. There was a considerable increase in 1940 because of the opening of a new beet sugar factory in the Province of Manitoba where commercial sugar beets had not previously been produced.

Absences With Pay And Overtime Clarified

In response to inquiries, General Philip B. Fleming, Administrator of the Wage and Hour Division, United States Department of Labor, on Nov. 25 made public a statement clarifying absences with pay and the computation of overtime as required under the Wage and Hours Law. The following is the statement:

With respect to overtime, the Act requires that an employer, who works any employees, subject to its provisions, more than forty hours in a workweek, pay such employees overtime compensation at a rate of one and one-half times their regular rate of pay. Under this provision, an employer is free to pay an employee for time during which the employee is not at work.. The overtime provision is simply that hours worked in excess of forty per week be compensated for at time and one-half. Whenever overtime is worked, the problem presented is that of determining an employee's regular rate of pay so that overtime compensation may be computed thereon. Under the interpretations of the Wage and Hour Division, an employee's regular hourly rate of pay is determined by dividing the hours which he works, during a workweek, into the total earnings for such hours of employment (paragraph 7 of Interpretative Bulletin No. 4.)

The question under consideration can arise only where an employee receives an hourly rate of pay or a salary for a regular number of hours per week (the equivalent of an hourly rate of pay) and is paid at such rate for hours not worked due to vacation, holiday, illness, or other similar cause. Where an employee is paid a salary without regard to the number of hours worked it cannot be said that he is paid for holidays and the like; the salary compensates for whatever hours he works, no more no less, and he has no set hourly rate of pay which can be attributed to hours not worked. Assuming, therefore, that an employee is paid at his regular hourly rate of pay for hours when he is not at work due to vacation, holiday, illness, or other similar cause, the amount so paid is not compensation for hours worked and need not be included in computing the employee's regular rate of pay and overtime compensation under the Act. The very term, holiday or illness with pay, negates the idea that such payment was made for hours worked.

It is pointed out in paragraph 70(7) of Interpretative Bulletin No. 4 that payment to an employee at his hourly rate of pay for hours not worked does not constitute payment of overtime compensation and may not, therefore, be credited against overtime compensation due under the Act. It is stated that such payment is not compensa-

tion for overtime work and likewise does not alter the employee's regular hourly rate of pay. The considerations which dictate that interpretation are like those which control here.

The employer's records must, of course, show the hours of absence and the amount paid therefor, if a sum so paid is to be excluded when an employee's regular rate of pay and overtime compensation under the Act are computed.

Non-Farm Real Estate Foreclosures Up In Oct.

The Federal Home Loan Bank Board announced Dec. 1 that the 4% rise in the seasonally-adjusted index of non-farm foreclosure activity, which was noted during the month of October, represents a reversal from the lowering foreclosure trend of the past eight years. This increase from September was caused almost entirely by accelerated foreclosure actions in those areas which are not experiencing a shortage of housing due to increased defense activity. Of interest also is the fact that the smaller communities of the nation displayed sizeable expansion in the September-to-October comparison, while foreclosures in the largest metropolitan cities continued with a favorable downward movement. The Board further reports:

In terms of actual cases, non-farm real estate foreclosures in the United States increased less than 1%, from 4,374 cases in September to 4,408 in October. This is somewhat unfavorable in view of the customary 3% decline expected at this time of year. After adjustment for this seasonal factor, the foreclosure index rose 4% in the month of October and now stands 34.2 as compared to the average month of the 1935-1939 period.

More than half of the States in the country show increases in October as compared with September. Out of the 12 Federal Home Loan Bank Districts, eight participated in this upward movement, thus more than offsetting decreases shown by the Pittsburgh, Winston-Salem, Des Moines and Topeka districts.

Social Security Booklet

Ninety-five per cent of employees in American industry do not know that they and their families are entitled to substantial cash benefits from the Social Security Program while under 65 years of age, according to a survey by the International Relations Division of Commodity Research Bureau, Inc. The survey also revealed that the great majority of employees did not realize how large a sum their employers were contributing regularly to the various Social Security benefits.

To fill the evident need for more information on this important subject, a comprehensive 32-page booklet has been prepared by Commodity Research Bureau for distribution by employers to their workers. All information was compiled from official Government sources and is presented in finished form in an attractive red, white and blue cover design. On the first page, the publishers state that the booklet "Social Security" is a "special study dealing with one of the many advantages of the American way of life. It is designed to help our citizens get full measure out of what this country has to offer."

Copies are offered to employers in quantity lots at nominal prices. All employers and executives are invited to request a free specimen copy of "Social Security" which may be obtained by writing Commodity Research Bureau, Inc., 82 Beaver St., New York City.

Sugar Statistics First 10 Months 1941

The Department of Agriculture issued on Dec. 5 its monthly statistical statement covering the first 10 months of 1941, consolidating reports obtained from cane sugar refiners, beet sugar processors, importers and others. The statement, prepared by the Sugar Division of the Agricultural Adjustment Administration, shows that total deliveries of sugar during the period January-October, 1941 amounted to 6,802,693 short tons, raw value, compared with 5,742,273 tons during the corresponding period last year. The Department gave the following details:

Distribution of sugar in continental United States during the first ten months of 1941, in short tons, raw value, was as follows:

Raw sugar by refiners (Table 1)	7,988
Refined sugar by refiners (Table 2, less exports)	4,609,134
Beet sugar processors (Table 2)	1,638,635
Importers' direct-consumption sugar (Table 3)	503,166
Mainland cane mills for direct consumption (Table 4)	43,770
Total	6,802,693

The distribution of sugar for local consumption in the Territory of Hawaii for the first ten months of 1941 was 30,534 tons and in Puerto Rico 67,265 tons (Table 5).

Stocks of sugar on hand Oct. 31, in short tons, raw value, were as follows:*

	1941	1940
Refiners' raws	412,795	320,420
Refiners' refined	297,707	359,975
Beet sugar processors	666,483	780,844
Importers' direct-consumption sugar	103,380	77,106
Mainland cane factories	16,907	16,157
Total	1,497,272	1,554,502

These data were obtained in the administration of the Sugar Act of 1937.

*Not including raws for processing held by importers other than refiners, which amounted to 19,835 short tons, commercial value, in 1941, and 38,168 short tons, commercial value, in 1940.

Table 1—Raw Sugar; Refiners' Stocks, Receipts, Meltings and Deliveries for Direct Consumption for January-October, 1941 (Short Tons, Raw Value)

Source of Supply	Stocks on Jan. 1, 1941	Receipts	Meltings	Deliveries for direct consumption	Lost by fire, etc.	Stocks on 10-31-41
Cuba	87,288	2,045,279	1,938,847	2,663	92	*170,965
Hawaii	34,798	820,290	780,384	2,063	0	72,641
Puerto Rico	88,889	780,185	844,044	1,100	69	23,861
Philippines	65,727	775,935	737,726	13	123	103,800
Continental U. S.	48,223	124,749	162,418	2,149	20	8,385
Virgin Island	0	4,602	4,602	0	0	0
Other countries	12,437	220,609	199,901	0	2	†33,143
Miscellaneous (sweepings, etc.)	0	384	384	0	0	0
Total	337,362	4,772,033	4,688,306	7,988	306	412,795

Compiled in the Sugar Division, from reports submitted by sugar refineries.

*Includes 143,757 tons in customs' custody.

†Includes 9,838 tons in customs' custody.

Table 2—Stocks, Production and Deliveries of Cane and Beet Sugar by United States Refiners and Processors, January-October, 1941 (short tons, raw value)

	*Refineries	Domestic beet factories
Initial stocks of refined, Jan. 1, 1941	271,268	1,601,654
Production	4,683,034	703,464
Deliveries	†4,656,595	‡1,638,635
Final stocks of refined, Oct. 31, 1941	297,707	666,483

Compiled by the Sugar Division, from reports submitted by the sugar refineries and beet sugar factories.

*The refineries' figures are converted to raw value by using the factor 1.063030 which is the ratio of meltings of raw sugar to refined sugar produced during the years 1939 and 1940.

†Deliveries include sugar delivered against sales for export. The Department of Commerce reports that exports of refined sugar amounted to 47,461 short tons, raw value, during January-September, 1941. Data for exports during October are not yet available.

‡Larger than actual deliveries by a small amount representing losses in reprocessing, &c.

Table 3—Stocks, Receipts and Deliveries of Direct-Consumption Sugar from Specified Areas, January-October, 1941 (short tons, raw value)

Source of Supply	Stocks on Jan. 1, '41	Receipts	Deliveries or usage	Stocks on Oct. 31, '41
Cuba	25,702	375,287	325,805	*75,184
Hawaii	0	4,013	4,013	0
Puerto Rico	241	130,642	118,129	†12,754
Philippines	12,932	53,041	51,238	14,735
Other foreign areas	303	4,385	3,981	707
Total	39,178	567,368	503,166	103,380

Compiled in the Sugar Division from reports and information submitted by importers and distributors of direct-consumption sugar.

*Includes 4,192 tons in customs' custody. †Includes 5,350 tons in customs' custody.

Table 4—Mainland Cane Mills' Stocks, Production and Deliveries, January-October, 1941 (short tons, raw value)

Stocks on Jan. 1, '41	Production	Deliveries: For direct consumption	Deliveries: For further processing	Stocks on Oct. 31, '41
60,214	111,139	43,770	110,676	16,907

Table 5—Distribution of Sugar for Local Consumption in the Territory of Hawaii and Puerto Rico January-October, 1941 (short tons, raw value)

Territory of Hawaii	30,534
Puerto Rico	67,256

Living Costs Rose 1% In November According To National Conference Board

The cost of living for wage earners' families in the United States rose 1.0% in November, according to the monthly survey conducted by the Division of Industrial Economics of The Conference Board, and issued on Dec. 12. Since November, 1940, living costs have gone up 8.7%. They are now 29.6% above the April, 1933, low point, 8.0% below November, 1929, costs, and 10.6% above August, 1939, prices. The survey further noted:

Food and clothing prices advanced the most in November. They both increased 1.7%. Food has increased 19.4% since November, 1940, and 22.4% since August, 1939. Clothing prices in November were 8.9% higher than a year previous. The rise during the war period (since August, 1939) has not been nearly so steep as the rise in food prices and has amounted to only 10.7%.

Advances in the costs of other necessities have been more modest. Coal prices increased 0.4% in November. Since November, 1940, they have advanced 7.1%. For fuel and light taken as a whole, the November increase was only 0.2%, and the increase since August, 1939, has been 7.4%.

Rents in November rose on the average 0.3%, and were 2.3% higher than in November, 1940. They have risen only 3.7% since August, 1939. Miscellaneous purchases, or "sundries," cost 0.4% more in November than in October, and 3.9% more than in November, 1940. They were 5.2% more expensive than in August, 1939.

The purchasing value of the dollar was 107.6 cents in November as compared with 108.7 cents in October, 117.0 cents in November, 1940, 99.0 cents in November, 1929, and 100.0 cents in 1923.

The following table shows The Conference Board's indexes for the major items of the family budget in October and November, 1941, and the percentages of change in each:

Item—	Relative Importance in Family Budget	Indexes of the Cost of Living 1923=100: Nov., 1941	Oct., 1941	Pct. of Inc. (+) or Dec. (—) from Oct., 1941 to Nov., 1941
*Food	33	92.2	90.7	+1.7
Housing	20	89.5	89.2	+0.3
Clothing	12	89.6	78.3	+1.7
Men's		87.3	86.2	+1.3
Women's		71.9	70.4	+2.1
Fuel and light	5	90.2	90.0	+0.2
Coal		92.4	92.0	+0.4
†Gas and electricity		85.9	85.9	0
Sundries	30	101.9	101.5r	+0.4
Weighted average of all items	100	92.9	92.0r	+1.0
Purchasing value of dollar		107.6	108.7r	—1.0

*Based on The Conference Board index of food prices for Nov. 14, 1941, and Oct. 15, 1941. †Based upon retail prices of 35 kilowatt hours of electricity, 1,000 cubic feet of natural gas, or 2,000 cubic feet of manufactured gas. r Revised.

November Steel Output Second Only To October

Weekly production of steel during November was the second highest in history, according to a report released Dec. 9 by the American Iron and Steel Institute.

An average of 1,624,706 net tons of ingots and castings was produced per week during November, only slightly less than the record of 1,634,917 tons per week achieved in October. In November a year ago, steel production averaged 1,507,950 tons per week, a peak up to that time.

Because of the shorter month, the total production of 6,969,987 tons of steel during November fell short of the October record figure of 7,242,683 tons. A total of 6,469,107 tons was produced in November, 1940.

In the first eleven months of 1941, a total of 75,763,558 tons of steel has been produced, 25% more than output of 60,486,305 tons in the corresponding period of 1940 and 50% more than production of 50,467,880 tons in the whole year 1917, the peak in World War I.

During the month just closed the steel industry operated at an average of 98.3% of capacity, compared with 99.0% in October and 96.6% in November of last year.

The following tabulation shows steel ingot production by months for 1940 and 1941 to date:

PRODUCTION OF OPEN HEARTH, BESSEMER AND ELECTRIC STEEL INGOTS AND STEEL FOR CASTINGS

Period	Estimated Production —All Companies— Total: Net tons	Percent of capacity	Calculated weekly production, all companies (net tons)	Number of weeks in month
1941 †				
January	6,928,085	96.9	1,563,902	4.43
February	6,237,900	96.6	1,559,475	4.00
March	7,131,641	99.7	1,609,851	4.43
1st Quarter	20,297,626	97.8	1,578,353	12.86
April	6,756,949	97.6	1,575,046	4.29
May	7,053,238	98.7	1,592,153	4.43
June	6,800,730	98.2	1,585,252	4.29
2nd Quarter	20,610,917	98.2	1,584,237	13.01
1st 6 months	40,908,543	98.0	1,581,312	25.87
July	6,821,682	93.4*	1,543,367	4.42
August	7,000,957	95.7	1,580,351	4.43
September	6,819,706	96.4	1,593,389	4.28
3rd Quarter	20,642,345	95.2	1,572,151	13.13
9 months	61,550,888	97.0	1,578,228	39.00
October	7,242,683	99.0	1,634,917	4.43
November	6,969,987	98.3	1,624,706	4.29
1940 †				
January	5,764,723	83.4	1,301,292	4.43
February	4,525,797	70.0	1,093,188	4.14
March	4,389,183	63.5	990,786	4.43
1st Quarter	14,679,703	72.3	1,129,208	13.00
April	4,100,474	61.2	955,821	4.29
May	4,967,782	71.8	1,121,395	4.43
June	5,657,443	84.5	1,318,751	4.29
2nd Quarter	14,725,699	72.5	1,130,875	13.01
1st 6 months	29,405,402	72.4	1,130,542	26.01
July	5,724,625	83.0	1,295,164	4.42
August	6,186,383	89.5	1,396,475	4.43
September	6,056,246	90.6	1,415,011	4.28
3rd Quarter	17,967,254	87.7	1,368,412	13.12
9 months	47,372,656	77.5	1,210,339	39.14
October	6,644,542	96.1	1,499,897	4.43
November	6,469,107	96.6	1,507,950	4.29
December	6,495,357	94.1	1,469,538	4.42
4th Quarter	19,609,006	95.6	1,492,314	13.14
Total	66,981,662	82.1	1,281,210	52.28

* Revised. † Based on Reports by Companies which in 1940 made 98.43% of the Open Hearth, 100% of the Bessemer and 85.82% of the Electric Ingot and Steel for Castings Production.

Note—In 1940 the percentages of capacity operated are calculated on weekly capacities of 1,410,130 net tons open hearth, 114,956 net tons Bessemer and 36,011 net tons electric ingots and steel for castings, total 1,561,097 net tons; based on annual capacities as of Dec. 31, 1939 as follows: Open hearth 73,721,592 net tons, Bessemer 6,009,920 net tons, electric 1,882,630 net tons. In 1941 the percentages of capacity operated in the first 6 months are calculated on weekly capacities of 1,430,102 net tons open hearth, 134,187 net tons Bessemer and 49,603 net tons electric ingots and steel for castings, total 1,613,892 net tons; based on annual capacities as of Dec. 31, 1940 as follows: Open hearth 74,565,510 net tons, Bessemer 6,996,520 net tons, electric 2,586,320 net tons. Beginning July 1, 1941, the percentages of capacity operated are calculated on weekly capacities of 1,459,132 net tons open hearth, 130,292 net tons Bessemer and 62,761 net tons electric ingots and steel for castings, total 1,652,185 net tons; based on annual capacities as of June 30, 1941 as follows: Open hearth, 76,079,130 net tons, Bessemer 6,793,400 net tons, Electric 3,272,370 net tons.

Sugar Quota Entries Above Last Year

The U. S. Department of Agriculture issued on Dec. 6 its eleventh monthly report on the status of the 1941 sugar quotas for the various offshore sugar-producing areas supplying the United States market. The report, prepared by the Sugar Division of the Agricultural Adjustment Administration, shows that the quantity of sugar charged against the quotas for all offshore areas, including the full-duty countries, amounted to 5,320,738 short tons raw value, during the first 11 months of the year, as compared with 4,222,311 tons in the corresponding periods of 1940. An announcement by the Department of Agriculture also had the following to say:

The report includes sugar from all areas recorded as entered or certified for entry before Dec. 1, 1941. The figures are subject to change after final outturn weight and polarization data for all entries are available.

There were 165,110 short tons of sugar, raw value, charged against the quota for the mainland cane area, and 1,638,635 short tons, raw value, against the quota for the continental sugar beet area, during the period January-October this year. Data for these two areas are not yet available for November.

The quantities charged against the quotas for the offshore areas during the first eleven months of the year and the balances remaining are as follows:

(Short Tons, 96 Degree Equivalent)

Area—	—1941 Sugar Quota—		Quantity Charged Against Quota	Balance Remaining
Cuba		2,887,429	2,450,051	*437,378
Philippines	1,387,383			
Less amount reallotted	404,720	982,663	851,689	†
Puerto Rico	1,148,160			
Less amount reallotted	136,968	1,011,192	985,567	25,625
Hawaii	1,263,700			
Less amount reallotted	270,178	993,522	847,023	146,499
Virgin Islands		12,829	4,602	†
Foreign countries other than Cuba		440,304	181,806	†
Total		6,327,939	5,320,738	†

*Of which approximately 165,000 tons were in U. S. Customs' custody. †The quantity available for entry during the remainder of the year is expected to be less than the quota balance.

DIRECT-CONSUMPTION SUGAR

Direct-consumption sugar is included in the above amounts charged against the various quotas.

(Short Tons, 96 Degree Equivalent)

Area—	1941 Quota	Quantity Chgd. Against Quota: Sugar Polarizing 99.8 Degrees and Above	Sugar Polarizing less than 99.8 Degrees	Total Charge	Balance Remaining
Cuba	375,000	355,940	19,060	375,000	0
Puerto Rico	126,033	112,190	13,843	126,033	0
Hawaii	29,616	4,028	2,428	6,456	23,160
Philippines	80,214	55,489	551	56,040	24,174
Total	610,863	527,647	35,882	563,529	47,334

QUOTAS FOR FULL-DUTY COUNTRIES

Area—	1941 Quota (in pounds)	Quantity Charged Against Quota * (in pounds)	Balance Remaining (in pounds)
Canada	7,279,181	592,834	6,686,347
China and Hongkong	3,682,673	276,281	3,406,392
Dominican Republic	180,909,920	130,919,262	49,990,658
Dutch East Indies	2,505,181	85,405	2,419,776
Guatemala	3,969,033	369,191	3,599,842
Haiti	25,002,562	13,595,886	11,406,676
Mexico	72,004,758	796,042	71,208,716
Peru	301,515,638	216,977,931	84,537,707
†Quotas not used to date	276,387,300	--------	276,387,300
Unallotted reserve	7,351,754	0	7,351,754
Total	880,608,000	363,612,832	516,995,168
Tons	440,304	181,806	258,498

*In accordance with Section 212 of the Sugar Act of 1937, the first 10 short tons of sugar, raw value, imported from any foreign country other than Cuba have not been charged against the quota for that country. †This total includes the following (in pounds): Argentina, 172,756; Costa Rica, 244,105; Honduras, 40,680,533; Nicaragua, 121,132,598; Salvador, 97,282,227; United Kingdom, 4,155,876; Venezuela, 3,436,912; other countries, $9,282,293.

137 pounds have been imported from various countries, but under the provisions of Section 212 of the Sugar Act, referred to in footnote *, these importations have not been charged against the quota.

Nov. Living Costs Up In Industrial Cities

Living costs rose in November in 59 of the 60 industrial cities surveyed each month by the Division of Industrial Economics of The Conference Board. Under date of Dec. 15, the Board explained:

The increases ranged from 0.1% in Sacramento to 1.8% in St. Paul. A median rise of 0.8% was recorded for Atlanta, Chicago, Dayton, Des Moines, Providence, Rochester, Spokane and Wilmington. In Richmond, living costs averaged the same in November as in October.

Since November, 1940, increases of 6.5% to 14.0% have occurred in the 56 cities for which this information is available. For the United States as a whole, the year's rise was 8.7%. Living costs advanced the least over the year in Kansas City, Missouri and Cincinnati, Ohio. Costs went up the most in Syracuse.

Percentage changes from October to November, in order of size, are tabulated below:

Percentage Changes in Living Costs in 60 Cities October to November, 1941
Source: The Conference Board

City	% Chge.	City	% Chge.	City	% Chge.
St. Paul	+1.8	New Orleans	+1.0	Pittsburgh	+0.7
Boston	+1.7	Omaha	+1.0	Newark	+0.6
Cleveland	+1.5	St. Louis	+1.0	New Haven	+0.6
Dallas	+1.3	Seattle	+1.0	Portland	+0.6
Houston	+1.3	Baltimore	+0.9	Syracuse	+0.6
Lynn	+1.3	Detroit	+0.9	Birmingham	+0.5
New York	+1.3	Indianapolis	+0.9	Bridgeport	+0.5
Akron	+1.2	Milwaukee	+0.9	Buffalo	+0.5
Denver	+1.2	San Francisco	+0.9	Erie	+0.5
Fall River	+1.2	Atlanta	+0.8	Front Royal	+0.5
Toledo	+1.2	Chicago	+0.8	Parkersburg	+0.5
Duluth	+1.1	Dayton	+0.8	Philadelphia	+0.5
Grand Rapids	+1.1	Des Moines	+0.8	Wausau	+0.5
Lansing	+1.1	Providence	+0.8	Meadville	+0.4
Louisville	+1.1	Rochester	+0.8	Youngstown	+0.4
Manchester	+1.1	Spokane	+0.8	Macon	+0.3
Memphis	+1.1	Wilmington	+0.8	Oakland	+0.3
Minneapolis	+1.1	Chattanooga	+0.7	Roanoke	+0.3
Kansas City, Mo.	+1.0	Cincinnati	+0.7	Sacramento	+0.1
Los Angeles	+1.0	Muskegon	+0.7	Richmond	0

November Pig Iron Production At 97.7%

The Dec. 11th issue of the "Iron Age" reported that coke pig iron production in November dropped to 4,702,927 net tons compared with 4,856,306 tons in October and 4,716,901 tons in September, the previous 30-day month. Output on a daily basis last month, however, increased slightly to 156,764 tons from 156,655 tons a day in October. The operating rate for the industry in November was 97.7% of the new increased capacity of 160,408 net tons a day compared with 98.2% in October.

On Dec. 1 there were 215 furnaces in blast, producing at the rate of 156,855 tons a day, compared with 214 in blast on Nov. 1 with a production rate of 156,265 tons. The United States Steel Corp. took one furnace off blast. Indepenednt producers put three in and took off two and merchant producers blew in two furnaces and took off two.

Furnaces blown included: One Lackawanna, Bethlehem Steel Co.; one Brier Hill, Youngstown Sheet & Tube Co.; one Toledo, Pickands, Mather & Co., and one Palmerton, New Jersey Zinc Co.

Among the furnaces blown out or banked were: One Central American Steel & Wire Co.; one National, National Steel Co., and two Woodward, Woodward Iron Co.

MERCHANT IRON MADE. DAILY RATE—NET TONS

	1941	1940	1939	1938	1937
January	20,812	16,475	11,875	11,911	18,039
February	21,254	14,773	10,793	9,916	18,496
March	23 069	11,760	10,025	9,547	18,432
April	20,434	13,656	9,529	9,266	16,259
May	21,235	16,521	7,883	7,203	21,821
June	21,933	13,662	8,527	6,020	17 774
July	21 957	16,619	9,404	6,154	21,962
August	22,578	17,395	11,225	7,408	19,971
September	21,803	17,571	12,648	12,550	22,473
October	23,243	18,694	16,409	12,095	21,224
November	22,690	22,792	16,642	14,793	17,541
December	------	19,779	16,912	10,266	12,289

PRODUCTION OF COKE PIG IRON AND FERROMANGANESE—NET TONS

	—Pig Iron x— 1941	1940	—Ferromanganese y— 1941	1940
January	4,063,695	4,032,022	35,337	43,240
February	4,197 872	3,311,460	33,627	38,720
March	4,704,135	3,270,499	55,460	46,260
April	4,334,267	3,137,019	56,871	43,384
May	4,599,966	3,513,683	58,578	44,973
June	4 553,165	3,818,897	53,854	44,631
Half-year	27,053,100	21,083,600	293,727	261,208
July	4,770,778	4,053,945	57,710	43,341
August	4,791,432	4,238,041	52,735	37,003
September	4,716 901	4,176,527	46,932	33,024
October	4,856,306	4,445,961	55,495	32,270
November	4,702,927	4,403,230	47,669	31,155
December	------	4,547,602	------	35,666
Year	------	46,948,906	------	473,667

x These totals do not include charcoal pig iron. y Included in pig iron figures.

DAILY AVERAGE PRODUCTION OF COKE PIG IRON

	—1941— Net Tons	% Capacity	—1940— Net Tons	% Capacity	1939 Net Tons
January	150,441	95.5	130,061	85.8	78,596
February	149,924	95.2	114,189	75.1	82,407
March	151 745	96.9	105,500	68.9	86,516
April	144,475	91.8	104,567	68.6	76,764
May	148,386	93.8	113,345	74.8	62,052
June	151,772	95.9	127,297	83.9	79,089
Half-year	149,465	94.5	115,844	76.1	77,486
July	153,896	97.1	130,772	86.3	85,130
August	154,562	97.5	136,711	90.4	96,096
September	157,230	99.2	139 218	92.2	107.466
October	156,655	98.2	143,419	94.8	131,061
November	156,764	97.7	146,774	97.1	138,877
December	------	----	146,697	97.2	136,146
Year	------	----	128,276	84.6	96,769

November Cotton Consumption Continues High

Under date of Dec. 15, 1941, the Census Bureau issued its report showing cotton consumed in the United States, cotton on hand, active cotton spindles, and imports and exports of cotton for the month of November, 1941, and 1940. Cotton consumed amounted to 849,733 bales of lint and 117,628 bales of linters, as compared with 741,170 bales of lint and 107,892 bales of linters in November, 1940.

November consumption of cotton includes 4,000 bales distributed by Surplus Marketing Administration through various cotton mattress programs. The following is the statement.

NOVEMBER REPORT OF COTTON CONSUMED, ON HAND, IMPORTED AND EXPORTED, AND ACTIVE COTTON SPINDLES

(Cotton in running bales, counting round as half bales, except foreign which is in 500-pound bales.)

	Year	Cotton consumed during: November (bales)	4 mos. ending Nov. 30 (bales)	Cotton on hand November 30: In consuming establishments (bales)	In public storage and at compresses (bales)	Cotton spindles active during November (number)
United States	1941	*849,733	3,553,128	2,249,638	13,964,018	23,069,146
	1940	741,170	2,801,125	1,684,018	14,726,496	22,685,622
Cotton-growing States	1941	726,584	3,017,522	1,868,931	13,595,328	17,413,090
	1940	635,934	2,398,790	1,453,157	14,561,536	17,170,154
New England States	1941	99,122	420,076	320,974	350,696	5,011,340
	1940	83,005	326,368	191,621	154,847	4,891,702
All other States	1941	24,027	115,530	59,733	17,994	644,716
	1940	22,231	75,967	39,240	10,113	623,766
INCLUDED ABOVE						
Egyptian cotton	1941	6,001	24,418	32,649	2,811	
	1940	4,267	17,499	30,350	4,607	
Other foreign cotton	1941	9,051	37,332	51,879	45,965	
	1940	4,997	22,700	28,852	25,808	
Amer.-Egyptian cotton	1941	2,892	11,250	10,878	12,484	
	1940	1,761	7,518	7,766	10,225	
NOT INCLUDED ABOVE						
Linters	1941	117,628	511,679	476,966	95,903	
	1940	107,892	403,342	453,586	70,278	

*November consumption of cotton includes 4,000 bales distributed by Surplus Marketing Administration through various cotton mattress programs.

Imports And Exports Of Cotton And Linters

In the interest of national defense the Department of Commerce has decided to discontinue until further notice the publication of statistics concerning imports and exports.

World Statistics

Because of war conditions and the difficulties in obtaining dependable world statistics such data are being omitted from this report for the time being.

Italian Bank Agencies In New York Seized

William R. White, New York State Superintendent of Banks, on Dec. 11 assumed possession of the business and property of all agencies of Italian banks in New York City. The Department's announcement of Dec. 11 said:

The Banking Department is acting in cooperation with the Treasury Department, and representatives of both the Banking Department and the Treasury Department are present on the premises of each of the agencies. The Banking Department will exercise a protective custody over the records and assets of the agencies pending definite decision as to their final disposal.

The agencies in question include those of Banca Commerciale Italiana, Banco di Napoli, Banco di Roma, and Credito Italiano.

The Treasury Department this morning revoked all licenses under which the Banco di Napoli Trust Co. has been conducting its business. The effect of this action is to require the institution to suspend payments to depositors and creditors. For this reason the Banking Department, acting jointly with representatives of the Treasury Department, has taken possession of the business and property of the Banco di Napoli Trust Company. The deposits of the institution are insured by Federal Deposit Insurance Corp. Every effort will be made by the Banking Department to have deposits made available at the earliest possible date.

Sept. Gas Co. Statistics

The American Gas Association in November, 1941, reported that revenues of manufactured and natural gas utilities amounted to $62,066,500 in September, 1941, as compared with $58,591,500 for the corresponding month of 1940, an increase of 5.9%. Revenues from industrial and commercial users rose from $21,744,600 a year ago to $25,121,300 in September, 1941, a gain of 15.5%. Revenues from domestic uses such as cooking, water heating and refrigeration, etc., were $36,945,200 for September, 1941, as compared with $36,846,900 a year ago, an increase of 0.3%.

The manufactured gas industry reported revenues of $29,835,300 for the month, an increase of 2.4% from the same month of the preceding year. Revenues from commercial sales of manufactured gas gained 2.1%, while revenues from industrial uses were 24.4% higher than for September, 1940. Revenues from domestic uses were 0.2% more than for the corresponding period of 1940.

The natural gas utilities reported revenues of $32,231,200 for the month, or 9.4% more than for September, 1940. Revenues from sales of natural gas for industrial purposes increased 19.2%, while the increase in revenue from sales for domestic purposes was 0.4%.

Chain Store Sales Index

November chain store sales in all major groups reported business at a point substantially greater than for the preceding month, or else at the same high level, according to "Chain Store Age."

The "Chain Store Age" index of sales for the month was 151 of the 1929-1931 average as 100, compared with 146 in October and 124 in November, 1940.

The index figures by groups for November compare as follows:

	Nov., 1941	Oct., 1941	Nov., 1940
Variety	153	147	132
Apparel	162	153	136
Shoe	170	154	148
Drug	175	168	150
Grocery	145	145	109

The London Stock Exchange

Quotations of representative stocks as received by cable each day of the past week:

	Saturday Dec. 6	Monday Dec. 8	Tuesday Dec. 9	Wednesday Dec. 10	Thursday Dec. 11	Friday Dec. 12
Boots Pure Drugs		37/6	37/-	36/6	36/6	36/6
British Amer. Tobacco		95/6	91/3	87/6	87/6	90/6
*Cable & W. ord.		£69	£68¼	£67	£65	£66½
Central Min. & Invest.		£13½	£13½	£13½	£13½	£13½
Cons. Goldfields of S. A.		45/-	45/6	45/-	43/9	43/9
Courtaulds (S.) & Co.		35/-	34/9	34/-	33/9	34/-
De Beers		£9⅜	£9	£8⅝	£8⅝	£8 11/16
Distillers Co.		74/3	73/9	71/-	73/9	72/3
Electric & Musical Ind.	Closed	14/6	14/6	13/6	14/-	13/9
Ford Ltd.		24/9	24/9	24/3	24/3	24/6
Hudsons Bay Company		25/6	25/3	24/6	24/6	24/6
Imp. Tob. of G. B. & I.		130/-	127/6	124/6	123/9	127/6
*London Mid. Ry.		£16⅞	£16¼	£16	£16	£16⅜
Metal Box		76/6	76/6	75/6	75/6	75/6
Rand Mines		£7⅛	£7⅛	£7⅛	£7⅛	£7⅛
Rio Tinto		£8	£8	£8	£8	£8
Rolls Royce		90/-	90/6	89/6	87/6	89/3
Shell Transport		62/-	55/-	50/-	52/6	53/-
United Molasses		30/-	29/6	28/3	29/3	30/3
Vickers		17/9	17/9	17/3	17/3	17/-
West Witwatersrand Areas		£5⅛	£5⅛	£4¾	£4¾	£4⅞

*Per £100 par value.

Cottonseed Receipts, Stocks Surpass Last Year

On Dec. 12 the Bureau of the Census issued the following statement showing cottonseed received, crushed, and on hand, and cottonseed products manufactured, shipped out, on hand, and exported for the 4 months ended with November, 1941 and 1940:

COTTON SEED RECEIVED, CRUSHED, AND ON HAND (TONS)

State	Received at mills* Aug. 1 to Nov. 30 1941	1940	Crushed Aug. 1 to Nov. 30 1941	1940	On hand at mills Nov. 30 1941	1940
United States	3,088,435	2,905,305	1,782,028	1,777,216	1,436,936	1,167,596
Alabama	156,410	111,901	114,821	90,703	52,762	21,780
Arizona	45,515	40,542	31,244	28,648	14,488	11,902
Arkansas	423,005	360,810	201,831	165,030	246,104	201,335
California	89,735	167,564	43,946	43,246	52,284	127,387
Georgia	158,520	191,104	137,876	143,573	39,560	48,663
Louisiana	73,962	100,192	61,111	78,567	13,377	21,879
Mississippi	510,897	321,045	260,070	190,368	254,853	137,191
North Carolina	166,083	171,387	100,644	111,875	75,175	63,122
Oklahoma	178,312	159,739	110,671	111,257	68,173	48,990
South Carolina	74,619	131,231	61,164	111,664	16,463	20,083
Tennessee	365,142	270,087	159,704	120,255	226,106	150,958
Texas	720,351	797,033	440,512	538,834	307,033	274,611
All other States	125,884	82,670	58,434	43,196	70,558	39,695

*Does not include 130,529 and 39,507 tons on hand Aug. 1 nor 22,843 and 8,377 tons reshipped for 1941 and 1940 respectively.

COTTONSEED PRODUCTS MANUFACTURED, SHIPPED OUT, AND ON HAND

Item	Season	On hand August 1	Produced Aug. 1 to Nov. 30	Ship. out Aug. 1 to Nov. 30	On hand Nov. 30
Crude oil	1941-42	*29,708	550,092	488,172	*159,259
(thousand pounds)	1940-41	37,352	564,630	465,991	183,925
Refined oil	1941-42	†294,005	‡382,376	------	†273,448
(thousand pounds)	1940-41	493,658	372,856	------	397,015
Cake and meal	1941-42	164,444	777,544	585,318	356,670
(tons)	1940-41	79,501	792,151	717,964	153,688
Hulls	1941-42	151,439	447,740	355,497	243,682
(tons)	1940-41	20,914	443,387	320,118	144,183
Linters	1941-42	123,154	514,125	500,358	136,921
(running bales)	1940-41	129,340	462,781	389,056	203,065
Hull fiber	1941-42	1,834	14,681	13,833	2,682
(500-lb. bales)	1940-41	1,215	10,148	7,355	4,008
Grabbots, motes, &c.	1941-42	6,183	21,940	11,986	16,137
(500-lb. bales)	1940-41	12,449	17,396	18,241	11,604

*Includes 13,192,000 and 66,879,000 pounds held by refining and manufacturing establishments and 7,859,000 and 21,803,000 pounds in transit to refiners and consumers Aug. 1, 1941 and Nov. 30, 1941 respectively.

†Includes 7,268,000 and 4,194,000 pounds held by refiners, brokers, agents, and warehousemen at places other than refineries and manufacturing establishments and 3,903,000 and 4,016,000 pounds in transit to manufacturers of shortening, oleomargarine, soap, etc. Aug. 1, 1941 and Nov. 30, 1941 respectively.

‡Produced from 406,861,000 pounds of crude oil.

Exports And Imports Of Cottonseed Products

In the interest of national defense, the Department of Commerce has decided to discontinue until further notice the publication of statistics concerning imports and exports.

Wheat Imports Under Quotas

The Bureau of Customs announced on Dec. 11 preliminary figures showing the quantities of wheat and wheat flour entered, or withdrawn from warehouse, for consumption under the import quotas established in the President's Proclamation of May 28, 1941, for the 12 months commencing May 29, 1941, as follows:

Country of Origin	—Wheat— Established Quota (Bu.)	Imports May 29, 1941 to Nov. 29, 1941 (Bu.)	Wheat flour, semolina, crushed or cracked wheat, and similar wheat products Established Quota (Lbs.)	Imports May 29, 1941 to Nov. 29, 1941 (Lbs.)
Canada	795,000	795,000	3,815,000	553,328
China	------	------	24,000	6,136
Hungary	------	------	13,000	------
Hong Kong	------	------	13,000	7,365
Japan	------	------	8,000	------
United Kingdom	100	------	75,000	------
Australia	------	------	1,000	------
Germany	100	------	5,000	------
Syria	100	------	5,000	------
New Zealand	------	------	1,000	------
Chile	------	------	1,000	------
Netherlands	100	------	1,000	------
Argentina	2,000	------	14,000	------
Italy	100	------	2,000	------
Cuba	------	------	12,000	97
France	1,000	------	1,000	------
Greece	------	------	1,000	------
Mexico	100	------	1,000	------
Panama	------	------	1,000	------
Uruguay	------	------	1,000	------
Poland and Danzig	------	------	1,000	------
Sweden	------	------	1,000	------
Yugoslavia	------	------	1,000	------
Norway	------	------	1,000	------
Canary Islands	------	------	1,000	------
Rumania	1,000	------	------	------
Guatemala	100	------	------	------
Brazil	100	------	------	------
Union of Soviet Socialist Republics	100	------	------	------
Belgium	100	------	------	------
Total	800,000	795,000	4,000,000	566,926

Electric Light and Power Industry Statistics

Electrical research statistics for the months of September and August, 1941 and 1940, covering 100% of the electric light and power industry, as released by the Edison Electric Institute, follow:

SOURCE AND DISPOSAL OF ENERGY

*Generation (net)—	—Month of September— 1941	1940	% Change	—Month of August— 1941	1940	% Change
By fuel burning plants	10,351,185,000	8,129,390,000	+27.3	10,610,211,000	8,475,640,000	+25.2
By water power plants	3,996,637,000	3,854,995,000	+3.7	3,929,636,000	3,968,158,000	—1.0
Total generation	14,347,822,000	11,984,385,000	+19.7	14,539,847,000	12,443,798,000	+16.8
Add—Net imports over intern. boundaries	73,176,000	75,836,000	—3.5	63,905,000	79,677,000	—19.8
Less—Company use	222,315,000	125,756,000	+76.8	226,356,000	128,389,000	+76.3
Less—Energy used by producer	297,039,000	449,936,000	—34.0	258,777,000	470,705,000	—45.0
Net energy for distribution	13,901,644,000	11,484,529,000	+21.0	14,118,619,000	11,924,381,000	+18.4
Losses and unaccounted for	1,779,376,000	1,427,900,000	+24.6	2,037,461,000	1,819,400,000	+12.0
Sales to ultimate customers	12,122,268,000	10,056,629,000	+20.5	12,081,158,000	10,104,981,000	+19.6

CLASSIFICATION OF SALES

Number of Customers—	—As of Sept. 30— 1941	1940	% Change	—As of Aug. 31— 1941	1940	% Change
Residential or domestic	25,735,023	24,723,826	+4.1	25,582,828	24,555,173	+4.2
Rural (distinct rural rates)	974,969	6[illegible]7,173		967,292	672,929	
Commercial or industrial:						
Small light and power	4,286,847	4,249,193		4,285,648	4,239,021	
Large light and power	174,351	181,627	+0.7	173,437	180,563	+0.9
Other customers	117,908	112,842		115,982	110,545	+4.6
Total ultimate customers	31,289,098	29,944,661	+4.5	31,125,187	29,758,231	+4.6

Kilowatt Sales—	—Month of September— 1941	1940	% Change	—Month of August— 1941	1940	% Change
Residential or domestic	2,031,692,000	1,891,428,000	+7.4	1,969,498,000	1,827,998,000	+7.7
Rural (distinct rural rates)	296,612,000	259,966,000	+14.1	329,429,000	288,030,000	+14.4
Commercial or industrial:						
Small light and power	2,120,200,000	1,925,776,000	+10.1	2,131,426,000	1,915,360,000	+11.3
Large light and power	6,747,359,000	5,115,115,000	+31.9	6,724,427,000	5,191,335,000	+29.5
Street and highway lighting	170,231,000	164,701,000	+3.4	154,246,000	148,938,000	+3.6
Other public authorities	250,251,000	222,214,000	+12.6	258,843,000	224,062,000	+15.5
Railways and railroads:						
Street and interurban railways	298,231,000	291,555,000	+5.9	300,348,000	299,146,000	+0.4
Electrified steam railroads	168,459,000	150,490,000	+11.9	173,147,000	152,318,000	+13.7
Interdepartmental	39,233,000	35,384,000	+10.9	39,794,000	57,794,000	—31.1
Total to ultimate customers	12,122,268,000	10,056,629,000	+20.5	12,081,158,000	10,104,981,000	+19.6
Revenue from ultimate customers	$225,751,400	$204,434,000	+10.4	$223,560,900	$201,993,100	+10.7

RESIDENTIAL OR DOMESTIC SERVICE (Revised Series)

Average customer data—	—12 Months Ended Sept. 30— 1941	1940	% Change	—12 Months Ended Aug. 31— 1941	1940	% Change
Kilowatthours per customer	976	936	+4.3	974	934	+4.3
Average annual bill	$36.70	$36.32	+1.0	$36.72	$36.33	+1.1
Revenue per kilowatthour	3.76c	3.88c	—3.1	3.77c	3.89c	—3.1

*By courtesy of the Federal Power Commission.

November Department Store Sales

The Board of Governors of the Federal Reserve System announced on Dec. 4 that the value of department store sales increased more than seasonally in November, following a sharp decline in the previous month, and the Board's seasonally adjusted index advanced to 115% of the 1923-25 average.

INDEX OF DEPARTMENT STORE SALES‡ 1923-25 AVERAGE=100

	Nov., 1941	Oct., 1941	Sept., 1941	Nov., 1940
Adjusted for seasonal variation	115	105	116	100
Without seasonal adjustment	132	112	125	114

Change from Corresponding Period a Year Ago (%)

Federal Reserve District—	One Week Ended *Nov. 29	*Nov. 22	Nov. 15	Nov. 8	Four Weeks Ended Nov. 29	Nov. 1	Sept. 27	Aug. 30	Yr. to Nov. 29
Boston	+33	—9	+28	+9	+15	+8	+16	+37	+16
New York	+6	+3	+14	+6	+7	+3	+9	+33	+12
Philadelphia	+11	+14	+24	+13	+15	+7	+10	+37	+17
Cleveland	+19	+17	+18	+19	+18	+13	+14	+45	+20
Richmond	+16	+19	+31	+24	+22	+14	+10	+40	+21
Atlanta	+12	+18	+10	+23	+15	+14	+12	+36	+18
Chicago	+15	+10	+9	+12	+12	+11	+15	+31	+16
St. Louis	+22	+17	+7	+25	+18	+21	+16	+38	+21
Minneapolis	**	**	**	**	+10	+8	+10	+22	+13
Kansas City	+12	†+9	—7	+20	+8	+13	+15	+28	+15
Dallas	+18	+22	+2	+20	+15	+15	+15	+40	+19
San Francisco	+19	+21	+14	+16	+17	+19	+21	+35	+19
U. S. total	+15	+11	+14	+14	+13	+11	+14	+35	+17

WEEKLY INDEX, WITHOUT SEASONAL ADJUSTMENT, 1935-39=100

1941—		1940—	
Nov. 8	139	Nov. 9	122
Nov. 15	148	Nov. 16	130
Nov. 22	128	Nov. 23	116
Nov. 29	168	Nov. 30	147

†Revised. *Comparisons for some districts affected by differences in date of Thanksgiving this year and last year. **Not shown separately but included in United States total. ‡Monthly indexes refer to daily average sales in calendar month; November, 1941, figures estimated from weekly sales.

Natural Gasoline Output Higher In October

The production of natural gasoline and recycle condensate increased in October, 1941, according to reports received by the Bureau of Mines, U. S. Department of the Interior. The daily average in October was 8,064,000 gallons, compared with 7,930,000 gallons in September. The chief increases occurred in the Appalachian, Illinois-Kentucky-Michigan, Panhandle and East Texas Districts.

Stocks continued to decrease, amounting to 204,540,000 gallons on Oct. 31, 1941, compared with 225,666,000 gallons on Sept. 30 and 275,898,000 gallons on hand Oct. 31, 1940.

PRODUCTION AND STOCKS OF NATURAL GASOLINE
(Thousands of Gallons)

	Production Oct. 1941	Sept. 1941	Jan.-Oct. 1941	Jan.-Oct. 1940	Stocks Oct. 31, 1941 At refineries	At plants & Terminals	Sept. 30, 1941 At refineries	At plants & Terminals
East Coast	----	----	----	----	5,628	----	3,234	----
Appalachian	7,896	6,302	72,708	65,057	840	3,427	672	2,811
Ill., Mich., Ky.	6,924	5,710	53,727	25,760	5,670	450	6,804	472
Oklahoma	33,870	32,597	315,523	334,803	1,092	26,589	1,260	33,140
Kansas	6,345	5,586	58,734	52,420	126	1,773	42	1,806
Texas	109,905	105,450	960,023	760,541	6,468	78,780	6,972	84,899
Louisiana	23,040	22,070	133,107	93,149	84	2,717	126	2,723
Arkansas	3,300	2,890	29,159	26,549	672	272	462	269
Rocky Mountain	8,609	8,549	83,335	77,205	5,040	2,078	5,544	2,531
California	50,101	48,734	483,060	489,502	61,068	1,766	70,182	1,717
Total	249,984	237,888	2,189,376	1,924,986	86,688	117,852	95,298	130,368
Daily average	8,064	7,930	7,202	6,311	----	----	----	----
Total (thousands of barrels)	5,952	5,664	52,128	45,833	2,064	2,806	2,269	3,104
Daily average	192	189	171	150	----	----	----	----

Sees U. S. In Strongest Financial Position

The Board of Governors of the Federal Reserve System announced, in a statement issued Dec. 8, that the financial and banking mechanism of the country is today in a stronger position to meet any emergency than ever before.

The existing supply of funds and of bank reserves, the Board says, is fully adequate to meet all present and prospective needs of the Government and of private activity. The Federal Reserve System has powers to add to these resources to whatever extent may be required in the future, the Reserve Board states, adding:

The System is prepared to use its powers to assure that an ample supply of funds is available at all times for financing the war effort and to exert its influence toward maintaining conditions in the United States Government security market that are satisfactory from the standpoint of the Government's requirements.

Continuing the policy which was announced following the outbreak of war in Europe, Federal Reserve Banks stand ready to advance funds on United States Government securities at par to all banks.

Brazilian Sugar Crop

Brazil's current 1941-42 sugar crop, harvesting of which is now under way, is forecast at 1,257,000 long tons as compared with 1,142,000 tons produced last year, an increase of 115,000 tons, or approximately 10.1%, according to advices received from Rio de Janeiro by Lamborn & Co., New York. The current crop is expected to set a new high for production in Brazil. The previous record was established in 1939-40 when 1,175,000 tons were manufactured. The firm further reported:

Sugar consumption in Brazil during the year ending Aug. 31, 1941, totaled 1,133,000 long tons as against 1,067,000 tons in the previous year, an increase of 66,000 tons, equivalent to 6.2%. Exports during 1940-41 amounted to 28,000 tons, while in the previous year the shipments aggregated 61,000 tons.

LEGAL ODDITIES

THE DANGEROUS MOTIVE

An interesting financial situation occurs when John Doe sells his stock in a corporation and approaches the transfer clerk thereof.

"Register this transfer of my stock to Richard Roe," Doe demands. "He's getting control of the company, and 100 shares more will put him in the saddle. Then he's going to 'bounce' the whole Board of Directors and all you officials at the next meeting."

"If that's your motive, we'll register no transfer," the clerk tells him. "Those are my orders from the company."

"My motive has nothing to do with it—register or take the consequences," Doe threatens.

This point has been before the American Courts on several occasions, and the general rule which has been laid down is that a stockholder, who complies with all the required conditions in reference to transferring his stock, is entitled to have it transferred, and the corporation has no right of inquiry as to his motive for doing so. One case in which this principle is laid down is State vs. McIvor, a decision of the South Carolina Court reported in 2 S. C. 25, and there is a Wisconsin decision to the same effect found in 29 N. W. 582.

Urges Stock Exchange Kept Open During War

Marshall W. Pask, Chairman of the Securities, Commodities and Banking Section, of the New York Board of Trade, on Dec. 10 called for unity and recommended a re-examination of our attitude toward the securities markets. Mr. Pask spoke before the Young Men's Board of Trade at a meeting held in New York at Oscar's Oldelmonico Restaurant.

Excerpts from Mr. Pask's address follow:

The diabolical acts of Japan on Sunday, Dec. 7, and the prompt response of the United States, expressed through its President and its Congress, accepting the challenge to perpetuate a society of free peoples, makes it imperative that we re-examine our attitude toward the Securities Markets.

In my opinion, the financial industry is one of greatest importance, not only to business and the wage earner but also to the very existence of our government itself.

Wherever you find a nation with an unsound financial industry, you will find a weak nation with a low standard of living—one overrun with poverty and ignorance and an easy prey to its enemies.

England has been great because she fostered her financial industry and backed the capital investment of her subjects with her Navy if need be. The United States has grown great because our government in the past encouraged the free flow of capital into industry and developed a free system of private business enterprise. . . .

There is a small group of men and women who believe that the Stock Exchange should be closed for the good of the people. This is especially emphasized by the outbreak of war. I went through a period of some months when the Exchange was closed at the outbreak of the first World War and I would not want to see it closed again.

Trading Suspended In Axis Securities By N. Y. Stock, Curb and Boston Stock Exchanges

After consultation with the Securities and Exchange Commission and the Treasury Department, the Board of Governors of the New York Stock Exchange on Dec. 11 announced that it has until further notice, suspended from dealings all German, Italian and Japanese securities, including those issued by political sub-divisions and corporations. The New York Curb Exchange and the Boston Stock Exchange made similar announcements affecting securities of the foregoing countries.

A list of the securities suspended by the New York Stock Exchange follows:

GERMAN

Free State of Bavaria—20-year 6½% sinking fund gold bonds, due Aug. 1, 1945.
Berlin City Electric Co., Inc.—25-year 6% debentures, due April 1, 1955.
25-year 6½% sinking fund debentures, due Dec. 1, 1951.
30-year 6½% sinking fund debentures, due Feb. 1, 1959.
City of Berlin—30-year 6% external sinking fund gold bonds, due June 15, 1958.
25-year 6½% sinking fund gold bonds, municipal external loan of 1925, due April 1, 1950.
Berlin Electric Elevated & Underground Rys. Co.—30-year first mortgage 6½% sinking fund gold bonds, due Oct. 1, 1956.
Central Bank for Agriculture, Germany—Farm loan secured 6% gold sinking fund bonds, second series of 1927, due Oct. 15, 1960.
First lien 7% gold farm loan sinking fund bonds, due Sept. 15, 1950.
Farm loan secured 6% gold sinking fund bonds, due July 15, 1960.
City of Cologne—25-year 6½% sinking fund gold bonds, municipal external loan of 1925, due March 15, 1950.
Consolidated Hydro-Electric Works of Upper Wuerttemberg—First mortgage 7% 30-year sinking fund gold bonds, due Jan. 15, 1956.
City of Dresden—20-year 7% sinking fund gold bonds, external loan of 1925, due Nov. 1, 1945.
City of Frankford-on-Main—25-year sinking fund 6½% gold bonds, municipal external loan of 1928, due May 1, 1953.
Free State of Prussia—6½% sinking fund gold bonds, external loan of 1926, due Sept. 15, 1951.
6% sinking fund gold bonds, external loan of 1927, due Oct. 15, 1952.
German General Electric Co.—20-year 7% gold debenture bonds, due Jan. 15, 1945.
15-year 6½% gold sinking fund debentures, due Dec. 1, 1940.
20-year 6% gold sinking fund debentures, due May 1, 1948.
German External Loan of 1924—7% gold bonds, due Oct. 15, 1949.
German Government International Loan of 1930—35-year 5½% gold bonds, due June 1, 1965.
Good Hope Steel and Iron Works—20-year 7% sinking fund mortgage gold bonds, due Oct. 15, 1945.
State of Hamburg—20-year 6% gold bonds, due Oct. 1, 1946.
Harpen Mining Corp.—Gold mortgage 6% bonds, series of 1929, due Jan. 1, 1949.
City of Heidelberg—External 20-25-year 7½% sinking fund gold bonds, due July 1, 1950.
Ilseder Steel Corp.—Gold mortgage 6% bonds, series of 1928, due Aug. 1, 1948.
German Provincial and Communal Banks—Consolidated agricultural loan, 30-year 6½% secured sinking fund gold bonds, series A, due June 1, 1958.
Rudolph Karstadt, Inc.—Deposit certificates for first mortgage collateral 6% sinking fund bonds, due Nov. 1, 1943.
City of Liepzig—Sinking fund gold bonds, 7% external loan of 1926, due Feb. 1, 1947.
Miag Mill Machinery Co.—7% closed first mortgage 30-year sinking fund gold bonds, due June 1, 1956.
City of Nuremberg—External 25-year 6% sinking fund gold bonds, due Aug. 1, 1952.
Rheinelbe Union—20-year 7% sinking fund mortgage gold bonds, due Jan. 1, 1946.
Assented 20-year 3¼% sinking fund mortgage bonds, due Jan. 1, 1946.
Rhine-Main-Danube Corp.—7% sinking fund gold debentures, series A, due Sept. 1, 1950.
Rhine-Ruhr Water Service Union—25-year sinking fund 6% external gold debentures, due Jan. 1, 1953.
Rhine-Westphalia Electric Power Corp.—Direct mortgage gold bonds, 7% series, due Nov. 1, 1950.
Direct mortgage gold bonds, 6% series, due May 1, 1952.
Consolidated mortgage gold bonds, 6% series of 1928, due Aug. 1, 1953.
Consolidated mortgage gold bonds, 6% series of 1930, due April 1, 1955.
Ruhr Chemical Corp.—6% sinking fund mortgage bonds, series A, due April 1, 1948.
City of Saarbrucken—6% sinking fund gold bonds, due Jan. 1, 1953.
Saxon State Mortgage Institution—Mortgage collateral sinking fund 7% guaranteed gold bonds, due Dec. 1, 1945.
Mortgage collateral sinking fund 6½% guaranteed gold bonds, due Dec. 1, 1946.
Siemens & Halske, A. G.—25-year 6½% sinking fund gold debentures, due Sept. 1, 1951.
Silesia Electric Corp.—Sinking fund mortgage gold bonds, 6½% series, due Feb. 1, 1946.
United Steel Works Corp.—25-year 6½% sinking fund mortgage gold bonds, series A, due June 1, 1951.
Assented 25-year 3¼% sinking fund mortgage bonds, series A, due June 1, 1951.
25-year 6½% sinking fund mortgage gold bonds, series C, due June 1, 1951.
United Steel Works Corp.—Assented 25-year 3¼% sinking fund mortgage bonds, series C, due June 1, 1951.
20-year 6½% sinking fund debentures, series A, due July 1, 1947.
Assented 20-year 3¼% sinking fund debentures, series A, due July 1, 1947.
Bank of the Silesian Landowners Association—First mortgage collateral 6% sinking fund gold bonds, due Aug. 1, 1947.
Westphalia United Electric Power Corp.—First mortgage 6% sinking fund gold bonds, series A, due Jan. 1, 1953.

ITALIAN

Adriatic Electric Co.—25-year 7% external sinking fund gold bonds, due April 1, 1952.
Ernesto Breda Co.—First mortgage 7% sinking fund bonds, due Feb. 1, 1954.
Italian Credit Consortium for Public Works—External loan sinking fund 7% secured gold bonds, series B, due March 1, 1947.
Italian Public Utility Credit Institute—External 7% secured sinking fund gold bonds, due Jan. 1, 1952.
Kingdom of Italy—External loan sinking fund 7% gold bonds, due Dec. 1, 1951.
Lombard Electric Co.—First mortgage 7% external sinking fund gold bonds, series A, due Dec. 1, 1952.
City of Milan—External loan of 1927, sinking fund 6½% bonds, due April 1, 1952.
City of Rome—Sinking fund 6½% gold bonds, due April 1, 1952.
Mortgage Bank of Venetian Provinces—25-year 7% external secured sinking fund gold bonds, series A, due Oct. 1, 1952.

JAPANESE

Great Consolidated Electric Power Co., Ltd.—First and general mortgage 6½% sinking fund gold bonds, due July 1, 1950.
First mortgage 7% sinking fund gold bonds, series A, due Aug. 1, 1944.
Imperial Japanese Government—External loan of 1924, 30-year sinking fund 6½% gold bonds, due Feb. 1, 1954.
External loan of 1930, 35-year sinking fund 5½% gold bonds, due May 1, 1965.
Oriental Development Co., Ltd.—External loan, 30-year 6% gold debenture bonds, due March 15, 1953.
External loan, 30-year 5½% gold debenture bonds, due Nov. 1, 1958.
Shinyetsu Electric Power Co., Ltd.—First mortgage 6½% sinking fund bonds, due Dec. 1, 1952.
Taiwan Electric Power Co., Ltd.—40-year sinking fund 5½% gold bonds, due July 1, 1971.
City of Tokio—5½% sinking fund gold bonds, due Oct. 1, 1961.
City of Tokio—5% loan of 1912, due Sept. 1, 1952.
Tokio Electric Light Co., Ltd.—First mortgage gold bonds, 6% dollar series, due June 15, 1953.
Ujigawa Electric Power Co., Ltd.—First mortgage 7% sinking fund gold bonds, due March 15, 1945.
City of Yokohama—External loan of 1926, sinking fund 6% gold bonds, due Dec. 1, 1961.

AUSTRIAN

Alpine Montan Steel Corp.—7% closed first mortgage 30-year sinking fund gold bonds, due March 1, 1955.
Austrian Government International Loan of 1930—Sinking fund 7% gold bonds, due July 1, 1957.
Province of Lower Austria—Secured sinking fund 7½% gold bonds, due Dec. 1, 1950.
Lower Austrian Hydro-Electric Power Co.—20-year closed first mortgage sinking fund gold 6½% bonds, due Aug. 1, 1944.
Tyrol Hydro-Electric Power Co.—7½% 30-year closed first mortgage sinking fund gold bonds, due May 1, 1955.
7% guaranteed secured mortgage sinking fund gold bonds, due Feb. 1, 1952.
City of Vienna—External loan sinking fund 6% gold bonds, due Nov. 1, 1952.

A list of the securities suspended from dealing by the New York Curb Exchange follows:

Central Bank of German State and Provincial Banks—6s A, 1952.
Central Bank of German State and Provincial Banks—6s B, 1951.
City of Hanover (Germany)—7s, 1939.
Consolidated Municipalities of Baden—7s, 1951.
Ercole Marelli Electric Mfg. Co.—6½s A, 1953.
Fiat ADR's.
German Consolidated Municipal Loan—7s, 1947.
German Consolidated Municipal Loan—6s, 1947.
Gesfuerel—6s, 1953.
Hamburg Electric Co.—7s, 1935.
Hamburg Elevated Under. & Street Rys. Co.—5½s, 1938.
Isarco Hydro Electric Co.—7s, 1952.
Hungarian Italian Bank, Ltd.—7½s AC, 1963.
Leonhard Tietz, Inc.—7½s, 1946.
Mansfield Mining & Smelting Co.—7s, 1941.
Nippon Electric Power Co., Ltd.—6½s, 1953.
Piedmont Hydro-Electric Co.—6½s A, 1960.
Pomerania Electric Co.—6s, 1953.
Province of Hanover (Germany)—6½s, 1949.
Prussian Electric Co.—6s, 1954.
Ruhr Gas Corp.—6½s A, 1953.
Ruhr Housing Corp.—6½s, 1958.
Saxon Public Works, Inc.—6s, 1937.
Terni—6½s A, 1953.
United Electric Service Co.—7s, A, 1956.
United Industrial Corp.—6½s, 1941.
United Industrial Corp.—6s, 1945.

The securities in which trading has been suspended on the Boston Exchange follow:

Bank of Silesian Landowners Association—6s, s. f. gold bonds, 1947.
Berlin City Electric Co.—
25-year s. f. debs., 6½s.
30-year s. f. debs., 6½s, 1959.
25-year 6% debs., 1955.
German Consolidated Municipal Loan of German Savings Bank & Clearing Association—7% series of 1926, 1947.
6% series of 1928, 1947.
German Provincial & Communal Banks—Secured s. f. gold bonds, series A, 6½s, 1958.
Gt. Cons. Elec. Pr. Co., Ltd.—First mtge. s. f. gold bonds, series A, 7s, 1944.
6½s, 1950.
Hungarian Disc. & Exch. Bank—7% 35-year s. f. g. b., dollar issue, 1963.
Hungarian Ld. Mtg. Institute—7½% S. F. land mortgage gold bonds, series A $ B, 1961.
7½% S. F. land mortgage gold bonds, series B $ B, 1961.
Italian Public Utility Credit Institute—External 7% secured sinking fund gold bonds, 1952.
Rheinelbe-Union—20-year mortgage sinking fund gold bonds, 7s, 1946.
Rhine-Ruhr Water Service Union—25-year sinking fund 6s, external gold debs., 1953.
Rhine-Westphalia Elec. Power Corp.—Dir. mortgage gold bonds, 7s, 1950.
Ruhr Chemical Corp—6% s. f. mtge. bonds, series A, 1948.
Shinyetsu Elec. Pow. Co., Ltd.—First mtge. sinking fund 6½s, 1952.
Siemens & Halske, A. G. & Siemens Schuckert-werke—25-year s. f. gold debs. 6½s, 1951.
Siemens & Halske, A. G.—Part. debs, series A, unassented, 2930.
United Steel Works Corp.—25-year s. f. gold bonds, series A, 6½s, 1951.
20-year 6½s s. f. debs., series A, 1947.
25-year s. f. gold bonds, series C, 6½s, 1951.

The Securities and Exchange Commission Dec. 12 issued the following statement:

The Commission has been advised that brokers and dealers may hold open contracts in some of the German, Italian and Japanese securities in which trading has been suspended by the New York Stock and Curb Exchanges and the Boston Stock Exchange. The Commission requests brokers or dealers, who may wish to make offsetting purchases or sales of these securities to complete contracts entered into prior to suspension of trading, to inform the Commission of all the relevant circumstances relating to such contracts before closing them by purchase or sale. Such communications should be addressed to the Director, Trading and Exchange Division, Securities and Exchange Commission, Washington, D. C.

Knox Reports On Pearl Harbor Attack

(Continued from First Page)

apparent by the deception practiced, by the preparations which had gone on for many weeks before the attack, and the attacks themselves, which were made simultaneously throughout the Pacific. In this purpose the Japanese failed.

2. The United States services were not on the alert against the surprise air attack on Hawaii. This fact calls for a formal investigation which will be initiated immediately by the President. Further action is, of course, dependent on the facts and recommendations made by this investigating board. We are all entitled to know it if (A) there was any error of judgment which contributed to the surprise, (B) if there was any dereliction of duty prior to the attack.

3. My investigation made clear that after the attack the defense by both services was conducted skillfully and bravely. The Navy lost—(A) the battleship Arizona, which was destroyed by the explosion of, first, its boiler and then its forward magazine due to a bomb which was said to have literally passed down through the smokestack;

(B) The old target ship Utah, which has not been used as a combat ship for many years and which was in service as a training ship for anti-aircraft gunnery and experimental purposes;

(C) Three destroyers, the Cassin, the Downes and the Shaw;

(D) Mine layer Oglala. This was a converted merchantman formerly a passenger ship on the Fall River Line and converted into a mine layer during the World War.

The Navy sustained damage to other vessels. This damage varies from ships which have been already repaired, and are ready for sea, or which have gone to sea, to a few ships which will take from a week to several months to repair. In the last category is the older battleship Oklahoma, which has capsized, but can be righted and repaired. The entire balance of the Pacific Fleet, with its aircraft carriers, its heavy cruisers, its light cruisers, its destroyers and submarines are uninjured and are all at sea seeking contact with the enemy.

4. The known Japanese material losses were three submarines and 41 aircraft.

5. Army losses were severe in aircraft and some hangars, but replacements have arrived or are on their way.

6. The up-to-date figures of Navy killed and wounded are: officers, 91 dead and 20 wounded; enlisted men, 2,638 dead and 636 wounded.

Railroads Seek Higher Rates To Meet Costs

To enable them to meet higher operating costs resulting from the recent wage increase and other causes, Class 1 railroads, in a petition filed on Dec. 13 by the Association of American Railroads, asked the Interstate Commerce Commission to grant promptly an increase in passenger and freight rates. The railroads estimate that the proposed increases will yield increased revenue of approximately $356,525,000 annually.

Public hearings will begin at Chicago on Jan. 5 and the Commission expects them to be concluded within one week.

The proposed increases sought follow:

1. Increase of 10% in all passenger fares except in the 1¼ cents per mile rate allowed members of military or naval forces traveling on furlough. There also is no increase proposed in the extra fares charged on particular trains.

2. Increase of 10% in all freight rates except for anthracite and bituminous coal, coke, and iron ore. In the case of anthracite and bituminous coal, the petition proposes an increase of 5 cents in rates stated on a net ton basis and 6 cents where stated on a gross ton basis except that rates from all origins to points west of Chicago and Milwaukee (both intraterritorial and interterritorial) are to be increased as follows: Rates of 75 cents and less to be increased 3 cents; rates from 76 cents to $1 to be increased 5 cents; and rates over $1 to be increased 10 cents.

For coke (the product of coal) an increase the same as bituminous coal is asked.

For iron ore an increase is proposed of 6 cents per gross ton for the entire Western District plus one cent dockage at upper lake ports; an increase of 6 cents per net ton in the Southern District, and an increase of 4 cents per gross ton on all rates plus one cent increase in lake terminal charge in the Eastern District.

3. An increase of 10% in all accessorial charges except in demurrage, dockage, tippling, or tollage charges or in the charges for protective service against heat or cold.

Besides additional revenues needed to meet the wage increase, the railroads said that additional funds are required to make certain readjustments in the wages of employees not covered by the wage award and to meet increased operating costs running into many millions of dollars as a result of precautionary measures which they are now taking upon recommendation of the War Department to safeguard their properties and operations during the present war.